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## LEGISLATIVE HISTORY

Public Law 87-872

H. R. 13175

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Sept. 29, 1969 Some authors are surveying individual cities to determine the value for economic planning purposes.

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July, 1910. House and yard were re-painted.

July 7, 1962 Some proposed construction reported in H. Report No. 556, Part II.

On 8/1/1992 Justice affirmed the conviction and sentence.

July 23, 1962 - ~~CONFIDENTIAL~~ - Public Law #15-477.

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REVOLUTIONARY HISTORY

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H. B. 1315

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## INDEX AND SUMMARY OF H. R. 13175

- Sept. 18, 1962 House Appropriations Committee reported H. R. 13175. H. Report No. 2410. Print of bill and report.
- Sept. 20, 1962 House passed H. R. 13175 with amendment.  
Print of bill as passed by House.
- Sept. 21, 1962 H. R. 13175 was referred to the Senate Appropriations Committee. Print of bill as referred.
- Sept. 27, 1962 Senate committee voted to report H. R. 13175.
- Sept. 28, 1962 Senate committee reported H. R. 13175 with amendments. S. Report No. 2177. Print of bill and report.
- Sept. 29, 1962 Sens. Smathers and Hayden submitted notice of intention to suspend the rules for purpose of submitting amendments.
- Oct. 1, 1962 Senate began debate on H. R. 13175.
- Oct. 2, 1962 Senate passed H. R. 13175 with amendments.  
Senate conferees were appointed.  
Print of bill as passed by Senate.
- Oct. 3, 1962 House conferees were appointed.
- Oct. 5, 1962 House received conference report on H. R. 13175. H. Report No. 2540. Print of report.
- Oct. 6, 1962 House agreed to conference report.
- Oct. 8, 1962 Senate agreed to conference report.
- Oct. 23, 1962 Approved: Public Law 87-872.

LIBRARY OF H. B. 1315

DIGEST OF PUBLIC LAW 87-872

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION ACT, 1963. Makes various appropriations for foreign aid, including \$225,000,000 for development grants, \$975,000,000 for the Alliance for Progress development loans, \$59,000,000 for the Peace Corps, \$2,000,000,000 for the International Monetary Fund, \$70,110,000 for assistance to refugees in the U.S., and \$1,295,000,000 for the Export-Import Bank of Washington.







~~HOUSE~~ -  
expeditious and orderly conduct of the loan program. p. 18606

Began debate on amendment No. 19, to provide \$1,600,000 for AMS for construction of facilities and acquisition of the necessary land therefor, as authorized by law, to remain available until expended. pp. 18602-6

Sept. 18, 1963

13. INDEPENDENT OFFICES APPROPRIATION BILL, 1963. Agreed to the conference report on this bill, H. R. 12711, but insisted on disagreement to several of the Senate amendments. pp. 18591-5
14. LEGISLATIVE BRANCH APPROPRIATION BILL, 1963. Began debate on the conference report on this bill, H. R. 11151. Action on one Senate amendment in disagreement was deferred. pp. 18606-10
15. FOREIGN AID APPROPRIATION BILL, 1963. The Appropriations Committee reported this bill, H. R. 13175 (H. Rept. 2410). p. 18639
16. LOANS; FHA. Passed as reported H. R. 12653, to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase from \$150 million to \$200 million annually the amount of loans which may be insured under such Act. pp. 18611-2  
Rep. Curtis, Mo., criticized the House procedures under which this bill failed to pass on Sept. 17. pp. 18595-6
17. WETLANDS. Concurred in the Senate amendments to H. R. 8520, to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to Sec. 16 to limit financial and technical assistance for drainage of certain wetlands. This bill will now be sent to the President. pp. 18590-1
18. TOBACCO. Passed as reported H. R. 12855, to amend provisions of the Agricultural Adjustment Act of 1938 providing for the lease and transfer of tobacco acreage allotments so as to exclude cigar-filler and cigar-binder tobacco, types 42, 43, 44, 53, 54 and 55 from the lease and transfer authority. pp. 18612-3
19. COOPERATION. Began debate on S. 3475, to authorize the Secretary of Agriculture to cooperate with States in administration and enforcement of certain Federal laws relating to the marketing of agricultural products and to the eradication or control of plant and animal disease and pests. (p. 18622). A similar bill, H. R. 12802, was passed without amendment earlier (pp. 18613-4).
20. PARKS. Began and concluded debate on S. 2429, to revise the boundaries of the Virgin Islands National Park, St. John, V.I. pp. 18615-22
21. PERISHABLE COMMODITIES. Received the conference report on S. 1037, to amend the Perishable Agricultural Commodities Act regarding fees, oral hearings, and relicensing (H. Rept. 2408). pp. 18622-3, 18639
22. TARIFFS. Received the conference report on H. R. 6682, to provide for the exemption of fowling nets from duty (H. Rept. 2412). pp. 18623-4, 18639
23. PERSONNEL. Received the conference report on H. R. 12180, to extend for a temporary period the existing provisions of the law relating to the free importation of personal and household effects brought into the U. S. under Government orders (H. Rept. 2413). pp. 18624, 18639  
The Post Office and Civil Service Committee reported without amendment S. Con Res. 53, favoring travel by Federal employees on U.S. flag carriers (H. Rept. 2407). p. 18639

24. RECLAMATION. Rep. Olsen discussed the "60th anniversary of the Bureau of Reclamation, pioneering Federal public works agency which is still playing a prominent role in water resource development in Montana and elsewhere in the West," including its relationship with REA cooperatives. pp. 18636-8
25. MERCHANT MARINE AND FISHERIES COMMITTEE. The "Daily Digest" states that the Subcommittee on Fisheries and Wildlife Conservation of the Merchant Marine and Fisheries Committee "met in executive session and ordered reported favorably to the full committee H. R. 9547, regarding importation of salmon for sale within the U.S.; H. R. 11343 (amended), regarding the initiation of a salmon and steelhead development program in California; S. 3504 (amended), regarding representation of secretarial officers on the Migratory Bird Conservation Commission; and S. 3431, to consent to the amendment of the Pacific Marine Fisheries Compact. Passed over H. R. 10714, to provide for the distribution of the total net income from wildlife refuges administered by the U.S. Fish and Wildlife Service of the Department of the Interior." p. D860
26. AGRICULTURAL APPROPRIATION BILL, 1963. Attached to this Digest are additional notes relating to the tables in Digest 167 summarizing the action of the conferees on this bill, H. R. 12648. These notes were inadvertently omitted and should be attached to Digest 167 as page 12.

ITEMS IN APPENDIX

27. FARM PROGRAM. Extension of remarks of Sen. Hartke inserting an address by Claude R. Wickard, "Knowledge: The Key to a Century of Agricultural Progress" pp. A6890-2  
Extension of remarks of Rep. May inserting reports by international farm youth delegates in Germany and Poland describing conditions on farms in those countries. pp. A6900, A6907-8
28. ELECTRIFICATION. Extension of remarks of Sen. Wiley inserting an article, "America's Power System," comparing production of electrical power in the United States and the Soviet Union. p. A6893
29. HOLIDAY. Extension of remarks of Rep. Grean inserting an editor's letter protesting the proposed designation of Sept. 17 as a legal holiday. pp. A6899-900
30. MILK. Extension of remarks of Rep. Quie inserting an article suggesting a possible solution to some of the problems of the dairy industry, including an increase in advertising efforts. p. A6903

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COMMITTEE HEARINGS SEPT. 19:

Additional research facilities for experiment stations, S. Agriculture.  
Federal pay bill, S. Civil Service (exec).  
Watershed projects, H. Agriculture (exec).  
Promotion of trade through mobile trade fairs, H. Merchant Marine and Fisheries (exec).

FOREIGN AID AND RELATED AGENCIES APPROPRIATION  
BILL, 1963

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SEPTEMBER 18, 1962.—Committed to the Committee of the Whole House on the  
State of the Union and ordered to be printed

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Mr. PASSMAN, from the Committee on Appropriations, submitted the  
following

R E P O R T

[To accompany H.R. 13175]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963.

SUMMARY OF THE BILL

Title	Item	Authorization	Recommended	Bill compared with authorization
I	Foreign Aid (Mutual Security).....	\$4,754,800,000	\$3,630,400,000	-\$1,124,400,000
II	Foreign Aid (Other).....	291,775,000	251,003,000	-40,772,000
III	International Monetary Fund.....	2,000,000,000	2,000,000,000	-----
IV	Export-Import Bank (Limitation on T.B.A.).....	1,298,000,000	1,298,000,000	-----
V	Miscellaneous Agencies.....	81,954,000	75,449,000	-6,505,000
	Total.....	8,426,529,000	7,254,852,000	-1,171,677,000

In addition to the estimates contained in the original fiscal year 1963 Budget, the Committee also considered estimates in the net amount of \$2,244,723,000 contained in House Documents Nos. 378, 430, 446, 463, 503, 514, 524, 535, and 537.

The bill contains for the first time appropriations for the Investment Guaranties Program and the International Monetary Fund.

These two items have been financed in the past by Treasury borrowing authority (back-door financing).

The accompanying bill recommends the appropriation of \$5,956,852,000, in addition to the limitation of \$1,298,000,000 for the Export-Import Bank, for a total of \$7,254,852,000. The recommended amount is \$1,378,177,000 below the formal budget estimates considered by the Committee and \$1,171,677,000 below the authorized amounts considered.

#### GENERAL STATEMENT

The foreign aid program as presented to the Congress by the President is scattered throughout the Budget—part of it is found under Funds Appropriated to the President, a portion is found under the Department of Defense, and other parts are found under the Department of the Treasury, the Department of Health, Education, and Welfare, and the State Department. This bill attempts to put together all the various readily identifiable sections. In addition to this bill, other segments of the foreign aid program are the use of P.L. 480 commodities, and the use of local currencies generated by the sale of P.L. 480 commodities. An indeterminate but not inconsequential element of the program is the cost to borrow money which is so freely given away. This facet of the program is reflected in the annual appropriation to pay the interest on the public debt.

The balance of payments problem and the "outflow of gold" has been a matter of grave concern to the Committee.

From time immemorial gold has been the ultimate in financial security to all tongues and to all civilizations. Most sound monetary systems of the past have been based on gold reserves, and as a nation's gold reserves diminished, its currency became increasingly valueless, and as a result the nation lost its importance in world commerce, or as a world power.

Various witnesses before the Committee have testified that all nations—both old and new—earn dollars or other convertible currency from their exports. They further testified—after lengthy interrogation—when nations are credited with foreign aid dollars against which they can place orders for goods and services, that the invoices for these goods and services are then sent to the U.S. Treasury for payment from revenues collected from the taxpayers of the United States rather than to the government which received the shipment.

Stated another way, in normal commercial practice, when the U.S. sells a nation goods or services the U.S. receives something in return—dollars, gold, or goods and services.

Under the foreign aid program it is a one-way street—the goods or services go out, the U.S. Treasury pays the bill, and the U.S. receives nothing of a tangible nature in return. A program such as this can only be a drain on either an individual's or a nation's resources. This statement is borne out by the "outflow of gold" from the U.S. during the past 10 years:

*Gold holdings ("free world" countries)*

U.S. gold holdings on Dec. 31, 1952-----	\$23, 252, 000, 000
Net outflow of gold from United States from 1952 through 1961-----	-6, 305, 000, 000
U.S. gold holdings on Dec. 31, 1961, reduced to-----	<u>16, 947, 000, 000</u>
Gold holdings of other countries on Dec. 31, 1952-----	13, 028, 000, 000
Net gold increase by other countries from 1952 through 1961-----	+10, 655, 000, 000
Gold of other countries on Dec. 31, 1961, increased to-----	23, 683, 000, 000

*Foreign short-term dollar assets ("free world")*

Foreign dollar holdings on Dec. 31, 1952-----	\$10, 546, 100, 000
Increase in foreign dollar holdings from 1952 through 1961-----	+12, 011, 900, 000
Foreign dollar holdings on Dec. 31, 1961, increased to-----	22, 558, 000, 000

One of the myths presented to the American taxpayer in justification of the foreign aid program is the statement that 80 percent of the dollars appropriated for the program are spent in the United States.

Testimony presented to the Committee finally resolved into the fact that 100 percent of the dollars appropriated for the foreign aid program ultimately will have an effect on the U.S. economy in one of the following three ways:

1. For the payment for goods and services shipped free of charge to foreign countries.
2. For the purchase of U.S. gold by foreign nations as a result of the free dollars that we have credited to them.
3. For speculation.

If 80 percent of the foreign-aid dollar is spent in the United States and this expenditure is beneficial to our economy—and one disregards the fact that the expenditure is paid by the U.S. Treasury (or the taxpayer) and not by the recipient nations—would there be more prosperity in the United States if expenditures for the program were doubled or tripled? The answer is that our resources would soon be depleted and when this happened our false prosperity would come to an abrupt end and we would be a bankrupt nation.

It has been stated that the foreign aid program provides employment for approximately 600,000 individuals. Most likely everyone would be enthusiastic supporters of the program if the wages and salaries of these 600,000 individuals were paid by the foreign governments who received the results of their labors, but the fact is their salaries and wages are paid by checks drawn on the U.S. Treasury.

## JUSTIFICATION OF THE ESTIMATES

For the past several years the President's Budget, submitted to the Congress in January, has contained estimates for the military and economic assistance programs, and where necessary, the Budget has indicated that authorizing legislation would be proposed. However, the Committee has not been able to hold hearings on the estimates as early in the session as it would like to because the representatives of the two major agencies or programs—A.I.D. and M.A.P.—are not prepared to do so. The Committee cannot understand why these two programs need more time to prepare and justify their estimates than do the programs of the Department of Defense, the Department of Agriculture and the other major departments and agencies of the government. Either the estimates contained in the President's Budget are justifiable at the beginning of the session or they are "pie-in-the-sky" figures which require more time on the part of the Executive Branch to develop programs and projects on which to spend the money the Executive Branch requests the Congress to appropriate.

This year, for example, the President's Budget, as submitted in January, contained estimates totaling \$4,797,000,000. However, the Executive Branch did not request the authorization legislation until March 14, approximately two months after the Budget was presented to the Congress. Only minor monetary changes were recommended two months later.

In an effort to expedite Congressional consideration of the foreign aid program, the Committee, on February 8, scheduled the commencement of hearings for March 5, approximately 6 weeks after the Budget was presented to the Congress. However, the Committee was advised on February 20 that the agency was not prepared to justify the program and that the earliest that the presentation books and the back-up data books would be ready for use by the Committee would be March 15 and March 22, respectively.

The Committee cannot understand the necessity for a 2-month interval between the time the President's Budget is submitted to the Congress and the time the justifications are ready for Committee use and the agencies involved are prepared to justify the program. In the future, it is the Committee's expectation that the agencies will be prepared to justify the program at any time after the Budget has been submitted to the Congress.

## TITLE I—FOREIGN AID (MUTUAL SECURITY)

The table below covers only Title I of the bill and summarizes the action of the Committee on the various items of the Mutual Security program authorized by the 1961 Foreign Assistance Act, as amended. Other titles of the bill are discussed in detail later.

Item	Authorization, fiscal year 1963	Recommended in bill for 1963	Bill compared with authoriza- tion
Development grants.....	\$300,000,000	\$225,000,000	-\$75,000,000
American hospitals abroad.....	2,800,000	2,800,000	
Investment guarantees.....	180,000,000	30,000,000	-150,000,000
Surveys of investment opportunities.....	2,000,000		-2,000,000
International organizations and programs.....	148,900,000	148,900,000	
Supporting assistance.....	415,000,000	350,000,000	-65,000,000
Contingency fund.....	300,000,000	225,000,000	-75,000,000
Alliance for Progress.....	600,000,000	525,000,000	-75,000,000
Development loans.....	1,250,000,000	775,000,000	-475,000,000
Administrative expenses, AID.....	53,000,000	46,000,000	-7,000,000
Administrative expenses, State.....	3,100,000	2,700,000	-400,000
Military assistance.....	1,500,000,000	1,300,000,000	-200,000,000
Total.....	4,754,800,000	3,630,400,000	-1,124,400,000

### FUNDS AVAILABLE

In addition to the \$3,330,400,000 in new obligational authority recommended in the bill for fiscal 1963, testimony presented to the Committee indicated that the Executive Branch estimates that it will obligate or commit the following amounts of local currency in fiscal 1963:

Type of local currency	Estimated obligations or commitments, fiscal year 1963
Country-owned.....	\$687,900,000
U.S.-owned.....	1,128,000,000
Total.....	1,815,900,000

Despite the efforts of the Committee and the Congress in the past to limit new appropriations for this program, the pipeline of unexpended funds is pyramiding at an alarming rate, and is a matter of concern to the Committee. The following table indicates the pipeline for the past 3 years:

Fiscal year	Amount of dollars in pipeline
1960.....	\$4,830,549,000
1961.....	5,975,397,000
1962 (estimated).....	6,712,000,000

Included in the June 30, 1962, estimate of \$6,712,000,000 in unexpended funds are the following items which were last appropriated for in 1958 and 1957, respectively:

Appropriation:	<i>Unexpended</i>
Asian Economic Development Fund-----	\$34,584,000
Development Assistance-----	<u>19,556,000</u>
Total-----	54,140,000

If the Administration should spend at the same rate in subsequent fiscal years as it did in fiscal year 1962, when expenditures were \$3,198,100,000, there are sufficient funds on hand now from prior year appropriations to run the program for approximately 25 months without any appropriations for fiscal year 1963.

#### FISCAL YEAR 1963 PROGRAM

The Mutual Security program for fiscal 1963 proposes a United States-financed economic assistance program for 73 nations and 7 British or Dutch territories or possessions, and a military assistance program for 58 nations. In addition, there are several nations which will have a program in existence in 1963 which is funded from prior year appropriations. The Administration also anticipates an aid program for several of the nations that have been created recently. After some discussion during the hearings, it was determined that 101 nations of the 113 nations of the world have been, are, or will be recipients of aid from the United States since the end of World War II.

Last year the Congress included in the 1962 Foreign Assistance Appropriation Act a portion of the statement of President Kennedy when he signed the 1961 Authorization Act. The President's statement was incorporated in the Appropriation Act as follows:

SEC. 112. It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those nations which share the view of the United States on the world crises.

During the hearings this year the subcommittee inquired into the administration of the above-quoted section of law which appeared to be the policy of the United States in September 1961, to see what effect it had on programs proposed for fiscal 1963 for nations who participated in the Belgrade Conference. The Conference was a meeting of the so-called neutral nations, all of whom, except Cuba, received grant aid from the United States in fiscal 1962. Final documents of the Conference were critical of the United States and its allies; while Russia received no criticism. To the subcommittee's surprise, the proposed 1963 program—military and economic aid—is \$813,500,000, an increase of \$142,500,000 above the 1962 program. The Committee cannot reconcile the substantial increase of the 1963 program over the 1962 program with last year's statement of the Executive Branch.

It has been the experience of the subcommittee in charge of this bill that each year when it has reported the bill to the Committee and to the House it has been charged with wrecking or seriously jeopardizing the program by not recommending all of the funds requested by the Executive Branch.

Testimony in each subsequent year indicated that the reductions were not harmful, as the proponents of the program had charged, but, in fact, were helpful.

Last year at the same time the subcommittee was reporting the 1962 Bill, which included \$3,357,500,000 for the Mutual Security program, to the Committee, Secretary Rusk and Secretary McNamara delivered a letter to Chairman Cannon which stated in part:

In summary, it is our belief that the cuts proposed by the subcommittee would greatly increase existing risks to the political and military position of the free world in the face of the Sino-Soviet threat, and thus clearly and directly to the vital national interests of the United States. The House and Senate have just worked out authorizations that represent in the aggregate an 11-percent reduction from administration requests. A workable program can still be mounted with these amounts. *It cannot be done with the cuts proposed by the subcommittee.* [Italics supplied.]

Subsequent action by the House and the Senate increased the recommended appropriations to \$4.2 billion. An appropriation of \$3.9 billion was finally approved in the closing hours of the 1st session of this Congress. However, the Executive Branch was only able to spend \$3,198,100,000 during the year. In other words, the Congress appropriated \$716,500,000 more than the Executive Branch spent in fiscal 1962.

#### DEOBLIGATION—REOBLIGATION AUTHORITY

Testimony this year, as in prior years, has indicated that numerous projects have been started all over the world without ever having been justified to the Congress. One of the primary reasons for this practice has been the authority—Sec. 101 of the 1962 appropriation act, for example—of the agency to deobligate funds which had been obligated in a prior fiscal year and reobligate them in a subsequent fiscal year for new projects and programs. The Congress rescinded this authority in the 1961 appropriation act when it discovered that the agency was initiating new projects or programs that had not been justified to the Congress, but allowed the new Administration and its AID agency to have this authority again in the 1962 Act. It is significant to note from the table below that deobligations in fiscal 1961 were only \$69,532,000 as compared to \$160,970,000 in the prior fiscal year. Apparently, when the authority to reobligate deobligated funds was rescinded the administrators of the program lost considerable incentive to decbligate funds in 1961 which may have been obligated in prior years for unsound projects or programs or even to prevent the lapse of funds at the end of a fiscal year. As far as the Committee can determine, millions of dollars have been reobligated for projects and programs that were never justified to the Congress.

The following table shows the extent of this practice in the past several years:

*Borrowings and redemptions by function fiscal year 1962 (as of June 30, 1962, preliminary)*

AGENCY FOR INTERNATIONAL DEVELOPMENT

[In thousands]

<sup>1</sup> No authority to reobligate in fiscal year 1961.

<sup>2</sup> Of this amount, \$7,264,000 was deobligated in the "Development grant" appropriation and transferred to the IO appropriation under see, 610, Presidential Determination.

In contrast to the AID agency's authority to deobligate and reobligate funds for new projects and programs, the following is a simplified analysis of the procedural steps involved, which may cover a period of years, before construction can start on a Corps of Engineers project in the United States:

1. Survey of the project is authorized.
2. Funds are requested for a survey.
3. After the survey report is completed it is—
  - (a) Reviewed by the Rivers and Harbors Board.
  - (b) Reviewed by the State or States involved.
  - (c) Reviewed by the Depts. of Agriculture & Interior and other interested Departments or agencies.
  - (d) Reviewed by the Bureau of the Budget.
4. Construction is authorized by law.
5. Funds are requested for advance planning.
6. Funds are requested for construction.

The Committee has deleted Section 101 from the bill which would have authorized the agency to deobligate and reobligate funds in fiscal 1963.

#### DEVELOPMENT GRANTS

1963 estimate	\$335,000,000
1963 authorization	300,000,000
Recommended for 1963	225,000,000

According to the justifications submitted to the Committee, Development Grants are used to assist the developing countries to—

- (1) Improve the educational, technical, and professional skills of their people;
- (2) Improve and expand those institutional structures and practices which contribute to economic and social development;
- (3) Determine through surveys, research, and analysis the indigenous, human and material resource base for development;
- (4) Formulate effective plans and programs directed toward feasible development goals; and
- (5) Provide for the construction of physical facilities required for the development of human resources and, in exceptional cases, for other basic facilities which are vitally required for economic growth.

For this program the Committee recommends an appropriation of \$225,000,000, a reduction of \$75,000,000 below the authorization.

The budget for development grant aid for the Africa, Near East and South Asia, and Far East regions included \$26,025,000 to start 100 new projects in fiscal 1963. The cost to complete these projects after 1963—some of which will not be completed until 1973—is estimated to be \$53,040,000.

The cost to complete the 42 new projects to be started in 1963 in Latin America is discussed under the Alliance for Progress heading.

However, typical of the unreliability of the information submitted to the Committee is the insert furnished (referred to on page 276 of part 3 of the hearings) in response to a question as to the number and cost of new projects to be started in fiscal 1963 in the Near East and South Asia region. The classified insert indicates no new projects for India, but the project book submitted to the Committee by A.I.D. indicates the start of new projects in India. Misleading information of this sort places the Committee in a position of not knowing what the actual program is and what funds are necessary to carry it out.

Volume I of the justifications presented to the Committee in support of this program indicated a Development Grant program in 44 nations of the world. Volume III of the justifications indicated a proposed program for 50 nations. Similar discrepancies in the material presented to the Committee in justification of the program are discussed at various points in the printed hearings.

For example, the following colloquy is on page 904 of part 2 of the printed hearings:

Mr. PASSMAN. On page 494, I read the last paragraph:

"Technical support costs are expected to rise to \$1,677,000 next year, covering the estimated 23 Americans and 150 locals in the support staff. This reflects the expanded program."

I suppose the locals will be financed out of the other item of \$260,000?

Mr. MOSSLER. Yes, sir.

Mr. PASSMAN. And the 23 U.S. technicians will be funded out of the \$1,260,000?

Mr. MOSSLER. Yes, sir.

Mr. PASSMAN. Thank you.

Now, take the \$1,260,000 and divide it by 23. That means these technicians are costing \$54,000 a year, each.

Could you give us a brief explanation as to why the cost is so high?

The agency witnesses were unable to give an explanation but subsequently submitted the following revised estimate for the project and, as indicated below, amended each individual element of cost of the project:

*Fiscal year 1963 cost of project elements*

Item	Original detail in project book	Revised estimate
U.S. technicians (23) .....	\$1,260,000	\$420,000
Contract services.....	77,000	100,000
Commodities.....	80,000	257,000
Other costs.....	260,000	900,000
Total.....	1,677,000	1,677,000

Another example of the "loose" estimates submitted to the Committee in justification of the program is the following colloquy on page 321 of part 3 of the hearings in response to a question as to why the average cost per U.S. technician for the Near East and South Asia region is estimated to increase by approximately \$6,000 in fiscal 1963:

Mr. BIRNBERG. About \$29,500 per technician, but that is caused by a rather difficult matter of estimating the proper funding of the Corps of Engineers in one project. The Corps of Engineers' people show a range of numbers. We do not know the exact number, and the estimate of funding reflects this range.

Mr. PASSMAN. You are taking the high figure, and projecting the average increase to be \$6,000 per technician across the board in fiscal 1963?

Mr. BIRNBERG. That is true, sir \* \* \*.

Page 816 of part 2 of the hearings in connection with the Regional Area Development project in Liberia contains the following colloquy:

Mr. PASSMAN. What is the proposed cost of the 25 U.S. technicians you contemplate for the regional area development project?

Mr. HUTCHINSON. This is shown as \$782,000, sir. This, I would also point out, seems to me to be on the high side.

Mr. PASSMAN. What would be the average?

Mr. HUTCHINSON. The average would be a little over \$31,000.

Mr. PASSMAN. These are estimates?

Mr. HUTCHINSON. These are estimates and I think that estimate is high, sir.

**AMERICAN HOSPITALS ABROAD (SPECIAL FOREIGN CURRENCY PROGRAM)**

1963 estimate	\$2,800,000
Recommended for 1963	2,800,000

The recommended appropriation of \$2,800,000 will fund the second phase of construction of the Children's Hospital in Krakow, Poland, which is being constructed under the auspices of the American Research Hospital in Poland, Inc. This appropriation will be used to purchase excess Polish currency (zlotys) owned by the U.S. Treasury to finance local costs of the project. Appropriations in fiscal years 1960 and 1961 for this purpose total \$1,550,000.

**INVESTMENT GUARANTIES**

1963 estimate	\$180,000,000
Recommended for 1963	30,000,000

The accompanying bill recommends an appropriation of \$30,000,-000 for this program which has been financed in prior years by Treasury borrowing authority (back-door financing).

In arriving at a figure which is \$150,000,000 below the estimate, the Committee took into consideration the testimony beginning on page 906 of part 3 of the hearings which indicates that the requirement for a 25-percent reserve for specific risk guaranties and a 50-percent reserve for extended risk guaranties was arrived at in 1956 by a predecessor agency of AID and approved by the National Advisory Council. There is no legal requirement as to the specific percentage of reserve that must be established under the guaranty program.

In view of the very favorable loss experience factor (less than  $\frac{1}{10}$  of 1 percent) during the 14 years of operation of the program, the Committee can see no logical need for a reserve fund of \$180,000,000 for guaranties anticipated to be issued in 1963 under this program to meet claims that are not anticipated to arise and may never materialize.

The fees charged for the specific risk guaranties issued under the program are determined by the President and at the present time amount to  $\frac{1}{2}$  of 1 percent per annum of the face value of the guaranty.

For the extended risk guaranty program it is anticipated the fee will be 2 percent. The fees collected to date and available for expenditure in discharge of liabilities that may be incurred under the program amount to \$9,491,901.

The Committee calls attention to the fact that the Federal Government has a contingent liability (retired military pay, veterans pensions and benefits, and various other types of commitments) that is authorized by law which, according to one estimate, amounts to approximately \$746 billion. The Federal Government has no reserve fund nor does it contemplate creating one to assure them that their claims, pensions, annuities, etc., will be paid, because the Government's word is the assurance.

In the event some unusual catastrophe should occur during the fiscal year which would require funds in excess of the amount recommended in the bill, the President has the authority under section 610 of the authorization act to transfer into this appropriation account funds from other appropriations contained in this bill. If this transfer authority for some unforeseen reason should not be adequate to meet any claim arising under the program, the Administration can submit a request for additional appropriations which would receive appropriate consideration in view of the contractual relationship existing between the investor and the Federal Government.

#### SURVEYS OF INVESTMENT OPPORTUNITIES

1963 estimate-----	\$5,000,000
1963 authorization-----	2,000,000
Recommended for 1963-----	

This program was authorized last year and is designed to encourage the undertaking by private enterprise of surveys of investment opportunities in less developed friendly countries. AID proposes to reimburse any enterprise undertaking such a survey up to 50 percent of the survey costs should the enterprise decide not to invest in the project surveyed. In such a case the enterprise must turn over to AID a professionally acceptable technical report on the project.

The Committee does not recommend any appropriation for this purpose for 1963. However, since the bill contains language re-appropriating unobligated balances as of June 30, the program will have ample funds available to it.

Last year the Committee recommended to the House that the estimate of \$5 million be denied. The Senate included \$3 million in the bill and the House conferees finally agreed to an appropriation of \$1,500,000. During the past fiscal year only one contract has been signed and that in the amount of \$1,750.

In justification of the program, the Agency submitted a list of 14 applications received to date from organizations who wish to have AID participate in their investment surveys (see page 891 of part 3 of the hearings). The total cost of these 14 surveys, if approved by AID, would be \$693,000.

Many U.S. firms in various fields have been able to finance the establishment of factories overseas as a result of their own initiative and research. This demonstrated ability of U.S. private enterprise indicates a lack of need for financial assistance from the Federal Government as contemplated by this program.

## INTERNATIONAL ORGANIZATIONS AND PROGRAMS

1963 estimate-----	\$148,900,000
1963 authorization-----	148,900,000
Recommended for 1963-----	148,900,000

The Budget proposed a voluntary contribution to the following 11 organizations and programs:

Program	1963 estimate
1. U.N. Technical Assistance and Special Fund-----	\$50,000,000
2. U.N. Fund for the Congo-----	34,300,000
3. U.N. Relief and Works Agency for Palestine Refugees-----	17,200,000
4. U.N. Children's Fund-----	12,000,000
5. U.N. Emergency Force-----	1,320,000
6. International Atomic Energy Agency-----	1,250,000
7. World Health Organization-----	500,000
8. NATO Science-----	1,530,000
9. Indus Waters-----	30,000,000
10. Commission for Technical Cooperation in Africa-----	600,000
11. Asian Productivity Organization-----	200,000
Total-----	148,900,000

While there is an apparent decrease in the 1963 estimate below the 1962 appropriation of \$153,500,000, some of the U.N. programs—U.N. Congo (military) and the U.N. Emergency Force—are scheduled to receive additional funds from the proposed U.N. Bond Loan. The Organization of American States Technical Cooperation program which received \$1.5 million from this appropriation in 1962, will receive its 1963 funds from the Alliance for Progress appropriation.

Last year the Congress appropriated the full amount of the budget estimate for this program, \$153,500,000. This year the Committee ascertained that \$174,726,000 had been obligated, an increase of \$21,226,000 above the 1962 request, which the Congress had allowed in full. Most of the additional funds were transferred to this item from the Military Assistance appropriation and from the Contingency Fund.

This year the Committee is again recommending the appropriation of the full amount requested but has included a limitation in the bill to preclude the transfer of additional funds to the program.

## SUPPORTING ASSISTANCE

1963 estimate-----	\$481,500,000
1963 authorization-----	415,000,000
Recommended for 1963-----	350,000,000

This category of aid, according to the justifications, is primarily designed to promote vital U.S. national security and foreign policy objectives in selected countries. Supporting Assistance, to be provided largely on a grant basis, is proposed only in situations where development assistance would be inappropriate, because of a failure to meet development criteria, but where U.S. interests require substantial assistance.

Programs of Supporting Assistance are designed to serve one or more of four objectives:

- (1) Assistance for the common defense,
- (2) Maintaining access to U.S. bases,
- (3) Maintaining economic stability, and
- (4) Alternative to complete dependence on the Sino-Soviet Bloc.

The budget proposed a Supporting Assistance program for 15 countries and a program under the CENTO organization:

Bolivia	CENTO	Vietnam
Haiti	Burma	Guinea
West Indies	Cambodia	Libya
Jordan	Indonesia	Morocco
Turkey	Korea	
Yemen	Laos	

The Committee recommends an appropriation of \$350,000,000 for this item in 1963, which is \$65,000,000 below the authorization.

Testimony presented to the Committee indicated an effort is being made on the part of the Executive Branch to fund more and more of the Supporting Assistance type of aid under the Development Loans appropriation.

On the surface such an endeavor appears to be deserving of Congressional approval. However, the Committee hastens to point out that for each Supporting Assistance dollar that the Administration succeeds in getting under the Development Loans "umbrella", Congressional control over the foreign aid dollar is correspondingly reduced. This loss of control is discussed more fully under the Development Loan paragraph below.

The Agency also points with pride to the reduced dollar request and the reduced number of countries proposed to receive Supporting Assistance in fiscal 1963. Testimony presented to the Committee indicates that a part of the reduction is being compensated for by the furnishing of commodities under the Food for Peace (P.L. 480) program. Another way the Agency has been able to reduce the dollar request and the number of countries proposed to receive such assistance is to transfer programs and projects to the Development Grant appropriation. An example of this procedure is the Afghanistan Regional Transit project, discussed below. Both the country and the project received Supporting Assistance funds in 1962. In 1963 both the country and project are proposed to receive Development Grant funds and no Supporting Assistance funds.

#### CONTINGENCY FUND

1963 estimate	\$400,000,000
1963 authorization	300,000,000
Recommended for 1963	225,000,000

According to the justifications, the Contingency Fund, for which \$300,000,000 is authorized, is a reserve designed to meet urgent requirements which may arise during the course of the fiscal year and for which no provision has been made elsewhere in the fiscal year 1963 program. The Contingency Fund may be used to meet needs completely unforeseen when fiscal year 1963 estimates were prepared or for needs anticipated in general terms, but in insufficient detail as to nature, timing, and amount to justify inclusion in programmed assistance.

Congress first authorized and appropriated funds for a Contingency Fund in fiscal 1956. Appropriations for this purpose since 1956 have been:

1956-	\$100,000,000
1957-	100,000,000
1958-	<sup>1</sup> 149,000,000
1959-	155,000,000
1960-	155,000,000
1961-	250,000,000
1962-	275,000,000

<sup>1</sup> Funded under the Special Assistance appropriation.

For fiscal year 1963 the Committee recommends an appropriation of \$225,000,000.

In arriving at the recommended appropriation, the Committee took into consideration the fact that certain programs—such as the refugee and migrant programs—which received their operating funds in 1962 (approximately \$42,300,000) from the Contingency Fund are now provided for by appropriations in another part of this bill. In addition, approximately \$5,000,000 was transferred from the Contingency Fund to the Administrative Expenses appropriations of the AID agency and the State Department.

As mentioned earlier, the Committee is concerned as to the effect that the Foreign Aid program has on the "outflow of gold" problem. During the hearings the Committee ascertained that recipients of U.S. grant aid were also purchasers of gold from the U.S. Treasury. For example, Iran received an allocation of \$15 million from the Contingency Fund for budgetary support in November 1961. During the last quarter of calendar year 1961, Iran purchased \$16.1 million in gold from the Treasury.

Another transaction that is difficult to understand is the obligation in June of \$23,700,000 from the Contingency Fund to what is now a development grant project in Afghanistan—the Afghan Regional Transit project.

A comprehensive discussion of the project begins on page 324 of part 3 of the hearings.

Briefly, the status of the project is that on June 30, 1961, \$27,799,000 had been obligated of which \$23,208,000 was unliquidated. The 1963 project book indicated that an additional \$1,000,000 was to be obligated in 1962 and on June 30, 1962, the estimated unliquidated obligations would be \$21,330,000. The estimate for fiscal 1963 is \$2,000,000. During the testimony it was learned that an additional \$23,700,000 had been obligated for the project in June from the Contingency Fund, despite the fact that the Afghanistan border was closed to any traffic that passed through Pakistan. It was further testified that if the border were not re-opened to permit the contractor to bring in additional equipment and materials for the project, there was a possibility of using the material in Pakistan.

As the subcommittee proceeded in its examination of the project, testimony was eventually presented that the decision to allocate the \$23.7 million from the Contingency Fund in June to the project was necessary in order to pick up an option in the construction contract to save money. However, the Committee points out that \$15,000,000 was requested for the project under the 1962 Supporting Assistance estimate. After the appropriations became available last year, the

Agency only allocated \$1,000,000 to the project despite the fact that the Agency should have had full and complete knowledge of the various options in the contract that would expire before June 30, 1962.

It appears to the Committee that in view of the large unobligated balance in the Contingency Fund on June 1, every effort was made by the Agency to obligate all available funds prior to the end of the fiscal year. This is evidenced by the fact that \$87,959,000 was obligated in June. Of that amount, \$38,366,000 was obligated on Saturday, June 30, the last day of the fiscal year.

#### ALLIANCE FOR PROGRESS

1963 estimate (\$500,000,000 loans; \$100,000,000 grants) -----	\$600, 000, 000
1963 authorization (same) -----	600, 000, 000
Recommended for 1963 (\$425,000,000 loans; \$100,000,000 grants) -----	525, 000, 000

Section 251 of the Foreign Assistance Act of 1962 provides separate authority for development assistance under the heading "Alliance for Progress," as follows:

SEC. 251. GENERAL AUTHORITY.—(a) It is the sense of the Congress that the historic, economic, political, and geographic relationships among the American peoples and Republics are unique and of special significance and that the Alliance for Progress offers great hope for the advancement of the welfare of the peoples of the Americas and the strengthening of the relationships among them. It is further the sense of Congress that vigorous measures by the countries and areas of Latin America to mobilize their own resources for economic development and to adopt reform measures to spread the benefits of economic progress among the people are essential to the success of the Alliance for Progress and to continued significant United States assistance thereunder. The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

(b) Assistance furnished under this title shall be directed toward the development of human as well as economic resources. In furnishing assistance under this title, the President shall take into account (1) the principles of the Act of Bogotá and the Charter of Punta del Este, and in particular the extent to which the recipient country or area is showing a responsiveness to the vital economic, political, and social concerns of its people and demonstrating a clear determination to take effective self-help measures; (2) the economic and technical soundness of the activity to be financed; (3) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives; and (4) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the assistance involved.

The Act further authorizes an appropriation of \$600 million for each of the fiscal years 1963 through 1966. Of the \$600 million authorized for 1963, \$100 million is on a grant basis, the balance being for development loans. However, repayments of any loans made

under this authority are plowed back into the Alliance for Progress program for further re-lending and do not go into the general funds of the U.S. Treasury to relieve the overburdened taxpayer.

The budget estimate of \$600 million for this program is approximately 44 percent of the \$1,378,250,000 of U.S. aid from all sources estimated for Latin America for 1963. Unliquidated obligations as of June 30, 1962, are estimated to be \$2,534,900,000.

The development grant portion of the estimate contemplates the initiation of 42 new projects in fiscal 1963 at a cost of \$9,195,000. The cost to complete the new projects is estimated to be \$22,964,000.

An appropriation of \$525,000,000 is recommended for the Alliance for Progress program in fiscal 1963. The Committee has divided the item into two funds: \$425,000,000 for loans and \$100,000,000 for grants.

At the recent Punta del Este Conference, one of the critical propositions to come before the Conference was the move, sponsored by the United States, to oust Cuba from the Organization of American States. The Committee inquired as to the proposed 1963 program for the six nations that did not agree with our position on this important issue and discovered that the proposed 1963 program was several million dollars higher than the 1962 program.

One of the many factors that encouraged the Committee to recommend funds last year for the Inter-American Social Progress Fund was the assurance that before aid would be given, there would have to be specific programs worked out accompanied by basic legislation and institutional reforms in such matters as tax structure, land tenure, and legal procedures. To say the least, the Committee is disappointed with the minimal progress that has been made to date in these fields.

#### DEVELOPMENT LOANS

1963 estimate.....	\$1,250,000,000
Recommended for 1963.....	775,000,000

Fiscal 1963 will be the second year of operation under the new concept of loans for development assistance as authorized by section 202 of the Foreign Assistance Act of 1961.

The Committee recommends an appropriation of \$775,000,000 for this purpose in 1963, a reduction of \$475,000,000 below the budget estimate.

In view of the authority in Section 202(b) of the Act approved by Congress last year which authorizes the President to enter into agreements committing funds to be appropriated in future years for long-term plans and programs of development assistance, the Committee inquired into the Executive Branch interpretation of the new authority. The testimony would indicate that the Executive Branch is of the opinion that it was given the authority to virtually compel the Congress to appropriate funds to a Plan.

The following is an excerpt from the testimony of the Administrator of the aid program, Mr. Fowler Hamilton, on page 163 of part 2 of the hearings:

Mr. PASSMAN. Funds are no longer committed to a program or a project, but to a plan, such as a 5-year plan.  
Did you say that?

Mr. HAMILTON. Yes.

For example, during the past year the Executive Branch has made a Section 202(b) commitment to Pakistan for \$425 million in development loans of which \$200 million was for fiscal year 1962, and \$225 million is for fiscal 1963.

In connection with this commitment the following is the subject matter of a memorandum for the Administrator of the AID agency from the President:

Subject: Determination under Section 202(b) of the Foreign Assistance Act of 1961, as amended, permitting *commitment of funds in support of the Pakistan Second Five-Year Plan* for economic development. [Italics supplied.]

In addition, the following is an excerpt from the memorandum from the Acting Administrator of AID to the President recommending the Section 202(b) commitment to Pakistan:

It will not be possible to define the proportion of funds required for projects and required for program imports until project proposals have been examined in detail \* \* \*.

After the Congress appropriates the funds, the agency then determines what specific programs or projects under the Plan will be financed. The following colloquy is from page 1009 of part 3 of the hearings:

Mr. PASSMAN. But, do you have specific programs and projects for which your money is going to be spent before the appropriation is made, or after?

Mr. GAUD. We have projects for which we obligate it.

We do not decide on the project until after the money is appropriated.

A realistic analysis of these so-called development loans indicates that the purpose of the appropriation is no different than the aid programs of the past. The only difference seems to be that this aid is now supposed to be on a loan basis and repayable in dollars—apparently to make the foreign aid program more palatable to the American taxpayer. However, even a superficial examination of the terms of these "loans" indicates that it is still a grant aid program. This conclusion is substantiated by the testimony of the Administrator, Mr. Fowler Hamilton, on page 235 of part 2 of the hearings where he stated that a development loan "is more than half grant to start with, if you figure in the cost of the money."

Most of the development loans are repayable in 40 years with no interest and a service charge of only  $\frac{3}{4}$  of 1 percent per year. After a 10-year grace period, the borrowing country starts repaying 1 percent per year on the principal. For example, the following is a list of

development credits made by the United States to India in fiscal year 1962:

*Fiscal year 1962 program for India*

	Total cost foreign ex- change and rupees	U.S. loan value	Date loan authorized	Service charge	Terms of repayment	Maxi- mum maturity
Project:						
Cambay thermal power-plant.	52.5	Millions of dollars 33.6	July 28, 1961	3/4 of 1 per- cent.	In U.S. dollars.	40 years.
Bandel thermal powerplant.	54.2	38.0	Nov. 30, 1961	do	do	Do.
Pamba-Kakki hydroelectric powerplant.	58.9	20.2	Mar. 23, 1962	do	do	Do.
Trombay thermal power-plant.	26.3	17.9	May 29, 1962	do	do	Do.
Patherdhik coal washery plant.	7.7	4.2	Jan. 24, 1962	do	do	Do.
Premier automobile manufacturing plant.	13.0	3.0	Dec. 18, 1961	do	do	Do.
Hindustan Motors, Ltd.	21.4	15.8	( <sup>2</sup> )	do	do	Do.
Industrial Finance Corp.	120.0	20.0	Mar. 16, 1962	do	do	Do.
Rayon tire cord factory	15.7	9.8	do	do	do	Do.
Railway program	43.0	43.0	May 31, 1962	do	do	Do.
Total project		205.5				
Nonproject: Industrial raw materials, components, steel, etc.	1200.0	200.0	Mar. 16, 1962	3/4 of 1 per- cent.	In U.S. dollars.	Do.
Grand total	1502.7	405.5				

<sup>1</sup> Other local or foreign exchange costs of project or nonproject nature over the years not included in this report.

<sup>2</sup> Development Loan Committee approved June 14, 1962.

In addition, the Foreign Assistance Act does not provide that these loan repayments go into the general funds of the U.S. Treasury to relieve the tax burden of the citizens of the United States, but does provide that such repayments shall be plowed back into the program.

In contrast with the lenient repayment arrangements of U.S. aid, the following table is from page 295 of part 3 of the hearings, and indicates the type of loans made by other nations to India:

*Loans other than United States to India*

[Dollars in millions]

Country	Total project cost	Loan value	Date authorized	Interest rate	Terms of repayment	Maximum maturity
<b>FREE WORLD</b>						
West Germany:						
Rourkela.....	\$241.5	\$157.1	Feb. 26, 1958	6.3	(1)	3 years.
Capital goods.....	(1)	40.1	Jan. 6, 1959	5½	(1)	20 years.
Do.....	(1)	30.0	May 27, 1960	6½	(1)	Do.
Do.....	(1)	30.0	Nov. 15, 1960	5½	(1)	15 years.
Rourkela.....	(1)	24.6	Jan. 30, 1961	5¾	(1)	4 years.
Do.....	(1)	48.3	Apr. 29, 1961	5½	(1)	13 years.
Balance of payments.....	(1)	25.0	do.....	5½	(1)	20 years.
Do.....	(1)	42.5	Sept. 14, 1961	3	(1)	Do.
United Kingdom:						
Lazard Credit Durgapur (private loan).....	(1)	32.2	Jan. 5, 1957	2 + 1	(1)	2½ years.
Durgapur.....	(1)	42.0	June 30, 1958	2 + ¼	(1)	11 years.
Capital goods.....	(1)	79.8	Dec. 20, 1958	+ ¼	(1)	20 years.
Naharkatiya oil pipeline.....	(1)	8.4	June 23, 1959	+ ¼	(1)	6½ years.
Capital goods.....	(1)	53.2	Nov. 25, 1959	+ ¼	(1)	20 years.
Do.....	(1)	28.0	Aug. 16, 1960	+ ¼	(1)	Do.
Do.....	(1)	14.0	Dec. 23, 1960	+ ¼	(1)	Do.
Do.....	(1)	28.0	May 1, 1961	+ ¼	(1)	25 years.
Do.....	(1)	84.0	do.....	+ ¼	(1)	Do.
Do.....	(1)	14.0	Nov. 10, 1961	+ ¼	(1)	Do.
Japan:						
Credit.....	(1)	50.0	Feh. 4, 1958	5¾	(1)	10 years.
Ad Hoc.....	(1)	10.0	Aug. —, 1958	(1)	(1)	Do.
Do.....	(1)	10.0	Mar. —, 1959	6	(1)	15 years.
Consortium.....	(1)	80.0	Aug. 18, 1961	6	(1)	
Bailadila Iron.....	(1)	21.0	Mar. 8, 1960	6	(1)	
Orissa Iron.....	(1)	8.0	Jan. 4, 1958	6	(1)	5 years.
Switzerland.....	(1)	22.9	July 30, 1960	3¾	(1)	10 years.
Yugoslavia.....	(1)	39.9	Jan. —, 1960	3	(2)	
France:						
Consortium.....	(1)	30.0	Sept. 12, 1961	—	(4)	
2d plan.....	(1)	100.0	—	(1)	—	
Italy.....	(1)	96.0	Aug. 29, 1961	5	(1)	12 years.
Total, free world.....		1,249.0	—	—	—	
<b>SOVIET BLOC</b>						
U.S.S.R.:						
Bhilal Steel.....	(1)	132.5	Feh. 2, 1955	2½	(6)	Do.
Industrial.....	(1)	126.0	Nov. 9, 1957	2½	(6)	Do.
Drugs.....	(1)	20.0	May 29, 1959	2½	(6)	7 years.
Barumrl Oil.....	(1)	25.0	Sept. 28, 1959	2½	(6)	12 years.
Credit 3d plan.....	(1)	375.0	Sept. 12, 1959	2½	(6)	Do.
Do.....	(1)	125.0	Feh. 21, 1961	2½	(6)	Do.
Czechoslovakia.....	(1)	48.5	Nov. —, 1959	2½	—	8 years.
Poland.....	(1)	30.0	May —, 1960	2½	—	Do.
Rumania.....	(1)	11.0	Oct. —, 1958	2½	—	7 years.
Total, Soviet bloc.....		893.0	—	—	—	

<sup>1</sup> Not known.<sup>2</sup> Treasury rate.<sup>3</sup> Under negotiation.<sup>4</sup> To be negotiated.<sup>5</sup> Export of Indian commodities to U.S.S.R.

During the hearings the Committee also inquired as to the amount of funds requested in the budget estimates for grant assistance to countries in the formulation of their long-range development plans. This information was subsequently compiled on a world-wide basis and is printed on page 241 of part 2 of the hearings. The total amount proposed for this purpose in fiscal year 1963 is \$7,089,000.

The Committee points out that this type of grant aid enables the recipient country to meet one of the more important legislative requirements or criteria for development assistance from the United States in future years.

This recommended appropriation of \$775,000,000 for development loans, plus the \$425,000,000 recommended for loans under the Alliance for Progress program, will provide a total of \$1,200,000,000 for development loan assistance all over the world, an increase of \$87,500,000 above the corresponding fiscal 1962 amount.

## ADMINISTRATIVE EXPENSES, A.I.D.

1963 estimate-----	\$55,000,000
1963 authorization-----	53,000,000
Recommended for 1963-----	46,000,000

The Committee has not approved that portion of the estimate requested to annualize the cost of Washington positions which were put on the payroll at various times during the past fiscal year. The Committee reiterates the statement contained in its report, No. 1996, on the State, Justice, Commerce Appropriation Bill, which reads as follows:

The practice of establishing a disproportionate number of positions, as compared with the funds allowed, and filling such positions for a short time at the end of the fiscal year and then requesting so-called annualization for full year costs in the ensuing year is a specious budgetary procedure and must be discontinued.

In response to a question as to the cost in 1962 of the part-year positions, for which annualization is requested in 1963, the following colloquy is quoted from page 921 of part 3 of the printed hearings:

Mr. GARY. What was the cost? Can you give us the cost in 1962 for supporting those people?

Mr. NEMECEK. The same people?

Mr. GARY. Yes.

Mr. NEMECEK. No; I would not be able to.

Mr. COFFIN. You are talking about additive costs, travel, telephone. You are not dividing preexisting overhead to arrive at that figure?

Mr. NEMECEK. This is a different cost for fiscal year 1963.

Mr. GARY. How can you get the additional cost if you do not know what the original cost was?

Mr. NEMECEK. We did this by the use of factors. It is arrived at statistically. We do not have actual accounting records to provide this information, and it was arrived at statistically.

The Deputy Administrator for Operations also presented to the Committee a proposal to shift 258 positions from the Administrative Expenses appropriation where they were funded in 1962 to program funding in 1963. The Committee has not approved this proposition.

## ADMINISTRATIVE EXPENSES, STATE

1963 estimate-----	\$3,100,000
Recommended for 1963-----	2,700,000

This is a reduction of \$400,000 below the budget estimate, and \$300,000 below the appropriation for fiscal 1962.

	MILITARY ASSISTANCE	
1963 estimate		\$1,500,000,000
Recommended for 1963		1,300,000,000

The justifications summarize the purposes of the Military Assistance Program as follows:

Through the Military Assistance Program, and in accordance with the terms and conditions of mutual defense agreements entered into by the United States with individual governments and with regional organizations, such as NATO, the Southeast Asia Treaty Organization (SEATO), and the Organization of American States (OAS), the United States provides military equipment and related training on a grant aid, credit assistance or sales basis.

At the time of the hearings, military assistance was proposed for 58 countries in fiscal 1963. A table listing the proposed recipients of this type of grant aid in 1963 and for the past two fiscal years follows:

*Military Grant Aid Countries*

Country	Program indicated by X			
	Fiscal year 1961 (56)	Fiscal year 1962 (57)	Fiscal year 1963	
			Proposed program for (58)	Training only (8)
Belgium	X	X	X	
Luxembourg	X	X	X	X.
Denmark	X	X	X	
France	X	X	X	
Germany	X	X	X	
Italy	X	X	X	X.
Netherlands	X	X	X	
Norway	X	X	X	
Portugal	X	X	X	
Spain	X	X	X	
United Kingdom	X	X	X	
Cameroon	X	X	X	
Ethiopia	X	X	X	
Liberia	X	X	X	
Libya	X	X	X	
Mali	X	X	X	
Morocco	X	X	X	
Tunisia	X	X	X	
Afghanistan	X	X	X	X.
Greece	X	X	X	
Iran	X	X	X	
Iraq	X	X	X	X.
Jordan	X	X	X	
Lebanon	X	X	X	
Pakistan	X	X	X	
Saudi Arabia	X	X	X	
Turkey	X	X	X	
Cambodia	X	X	X	
China, Republic of	X	X	X	
Japan	X	X	X	
Korea	X	X	X	
Laos	X	X	X	
Philippines	X	X	X	
Thailand	X	X	X	
Vietnam	X	X	X	
Argentina	X	X	X	X.
Bolivia	X	X	X	
Brazil	X	X	X	
Chile	X	X	X	
Colombia	X	X	X	
Costa Rica	X	X	X	
Dominican Republic			X	
Ecuador	X	X	X	
El Salvador	X	X	X	
Guatemala	X	X	X	
Haiti	X	X	X	
Honduras	X	X	X	
Mexico	X	X	X	
Nicaragua	X	X	X	X.
Panama	X	X	X	
Paraguay	X	X	X	
Peru	X	X	X	
Uruguay	X	X	X	
Venezuela	X	X	X	
Country A	X	X	X	X.
Country B	X	X	X	
Country C	X	X	X	
Country D	X	X	X	X.

In addition to the 57 countries listed above for 1962, programs were initiated in 7 countries late in fiscal 1962 and it is reasonable to assume, based on past performance, that programs for these countries will carry into fiscal 1963 and beyond.

The amount recommended, \$1,300,000,000, is \$200,000,000 below the estimate.

The unexpended balance of funds available to the military assistance program at the end of the 3 past fiscal years and a projection for the end of fiscal year 1963 is as follows:

End of fiscal year (June 30)	Unexpended balance (rounded)
1960	\$2,269,000,000
1961	2,597,700,000
1962 (estimate)	2,791,500,000
1963 (projected)	12,940,000,000

<sup>1</sup> Based on Budget.

As the above table indicates, the unexpended balance of funds has increased by \$522,500,000 in the past 3 fiscal years. The June 30, 1963, projected unexpended balance, based on the budget, is an increase of \$148,500,000 above the unexpended funds available on June 30, 1962.

In addition to the hundreds of millions of dollars of deobligated funds which will become available for new obligational authority the Committee anticipates that additional substantial sums will also become available through deobligation of funds now obligated for specific countries where the need for continuation of a substantial military assistance program appears to be no longer necessary.

Last year, after several inspection trips abroad in prior years and research into operations under prior year appropriations, the sub-committee was convinced that a re-analysis of prior year obligations and reservations would result in the cancellation of a substantial amount of such obligations and reservations. This conclusion, which influenced the Committee to make its recommendation of \$1.3 billion for fiscal 1962, was borne out this year by the testimony presented in justification of the 1963 program (pages 406-407 of part 1 of the hearings). Briefly, after the 1962 hearings the Director of the Military Assistance Program, General W. B. Palmer, went back to the Pentagon and "squeezed out" dormant funds in the obligated and/or reserved status. This action resulted in the net deobligation of \$317.7 million in 1962 and it is anticipated that an additional \$204.6 million will be deobligated during fiscal 1963.

In connection with the total net de-obligations of \$522.3 million in fiscal years 1962 and 1963, the following colloquy is quoted from the testimony on page 348 of part 1 of the hearings:

Mr. PASSMAN. When we talk [about] recoupment we are talking about prior reservations.

It was an overestimate in previous years that brought about what amount?

General LEMNITZER. About \$205 million.

General PALMER. I would rather discuss the details of that later.

Mr. PASSMAN. The general statement is correct, is it not, that it was from overestimate of need in the past, or overestimates of money to be used, or reservations that you canceled, or from obligations that you deobligated?

General PALMER. That is correct.

The ability to deobligate approximately one-half billion dollars in less than two years further indicates that the military assistance program has been over-funded in prior years and that as much of the

annual appropriation as possible was obligated and/or reserved rather than to let the funds lapse and return to the Treasury.

During the hearings the Committee ascertained that we have supplied enough rifles to one country so that each soldier could have, on an average, 1½ rifles per man. In another country the military assistance program has programmed enough rifles and carbines to provide an average of 2 weapons per soldier.

In still another country where there is a shortage of trained pilots, the 1963 military assistance program proposes to furnish additional aircraft.

In Iran the MAP proposes to purchase in 1963 additional small aircraft for the Iranian gendarmerie to provide mobility. Testimony this year in connection with procurement under the 1962 program is self-explanatory:

Mr. PASSMAN. We want you to tell us where we can find your request for money for these aircraft last year. Give us the page number in the 1962 justifications.

General FUQUA. I think it was obviously put in after—

Mr. PASSMAN. After the bill was presented to this committee and the Congress?

General FUQUA. Yes, sir.

Mr. PASSMAN. There were no justifications anywhere last year for these —— aircraft, and you allocated funds for them after the Congress adjourned and went home. Now you have —— this year.

General FUQUA. Yes, sir.

Another instance which gives the Committee some concern is the transfer of Military Assistance funds to various economic assistance programs. During the past fiscal year \$23 million was transferred, of which \$9.5 million was used for the U.N. Economic Program for the Congo. The balance, \$12.5 million was transferred to the Contingency Fund where it was re-distributed to other programs, such as the Indus Waters project, etc.

The fiscal 1963 military assistance budget also includes \$10,000,000 for "Civic Action" projects. In the opinion of the Committee these are economic assistance projects funded by the military assistance appropriation. For example, the Secretary of Defense held a press conference on August 21 to comment on the Civic Action phase of the Military Assistance program in Ecuador. The following is an excerpt from his comments:

What are they? These first projects include a 20-mile irrigation canal, to irrigate and thereby increase the productivity of certain of the agriculture lands in the interior of Ecuador. They include the drilling of wells and supplying of potable water to areas in which the water supplies have been contaminated and therefore the source of disease and ill health. They include such fundamentals as access roads to interior farm lands on which surpluses exist, surpluses that can't be brought to market because literally there is no access to an exchange point—a market place within the area of that surplus agricultural product. These are very, very primitive projects. I almost hesitate to mention them because I am sure that space is much on your mind as it is on mine.

## TITLE II—FOREIGN AID (OTHER)

## PEACE CORPS

1963 estimate.....	\$63,750,000
1962 appropriation.....	30,000,000
Recommended for 1963.....	52,000,000

An appropriation of \$52,000,000 is recommended to finance the activities of the Peace Corps during fiscal year 1963. This is an increase of \$22,000,000 above the 1962 appropriation.

The recommended appropriation will provide a Peace Corps strength of approximately 8,270 volunteers.

A matter of some concern to the Committee was the apparent emphasis being placed by the Peace Corps on projects in the education sector. The need for education in the under-developed countries of the world is self-evident, but the Committee questions the wisdom of rapidly increasing in size a new agency with numerous projects which appear to be draining off personnel with skills in short supply in the United States. Included in the two tabulations below are at least 44 projects in Education—at the elementary, secondary and university levels—involving 2,078 volunteers. This is over 54 percent of the total number of employees in the so-called Volunteer category on duty or in training as of July 31.

As of July 31, 1962, the Peace Corps had 1,103 Volunteers on duty engaged in various types of activities ranging from Agricultural Extension work to Rural Community Action work in the following 19 countries:

Country	Number of volunteers	Country	Number of volunteers
Ghana.....	51	El Salvador.....	24
Nigeria.....	109	Jamaica.....	38
Sierra Leone.....	32	St. Lucia.....	15
Somali Republic.....	45	Venezuela.....	22
Tanganyika.....	35	India.....	26
Bolivia.....	36	Pakistan.....	57
Brazil.....	43	Malaya.....	67
Chile.....	63	Philippines.....	272
Colombia.....	102	Thailand.....	45
Dominican Republic.....	21		

In addition, as of July 31, 1962, the Peace Corps had 2,691 employees in the so-called Volunteer category in training status in the United States or in the country to which the Volunteers will be assigned. The following table indicates the country for which a project is programmed and the number of volunteers assigned:

Country	Number of volunteers	Country	Number of volunteers
Cameroun.....	49	Dominican Republic.....	55
Ethiopia.....	317	Ecuador.....	205
Ghana.....	81	Honduras.....	27
Ivory Coast.....	34	Peru.....	226
Liberia.....	94	Venezuela.....	51
Niger.....	7	Afghanistan.....	11
Nigeria.....	90	Ceylon.....	43
Senegal.....	5	Cyprus.....	26
Sierra Leone.....	96	India.....	54
Tanganyika.....	27	Iran.....	48
Togo.....	49	Nepal.....	76
Tunisia.....	70	Pakistan.....	85
Bolivia.....	54	Turkey.....	47
Brazil.....	124	Malaya.....	63
British Honduras.....	36	North Borneo/Sarawak.....	68
Chile.....	46	Philippines.....	272
Colombia.....	92	Thailand.....	63

The fiscal year 1963 Budget for this year-old agency contemplated a program of 9,970 volunteers. Information supplied to the Committee indicates that if the Peace Corps were to stabilize its operations at a strength of approximately 10,000 volunteers, the cost would be approximately \$90,000,000 per year.

The Committee has included a limitation in the bill on the amount of funds that may be spent for administrative expenses. Testimony indicated that the Peace Corps spent approximately \$10,300,000 for administration in 1962, or approximately 34 percent of the \$30,000,000 appropriation.

#### DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

##### RYUKYU ISLANDS, ARMY

1963 estimate	\$14,282,000
1962 appropriation	7,089,000
Recommended for 1963	7,900,000

The President's Budget requested an appropriation of \$7,900,000 for the administration of the Ryukyu Islands. This amount was subsequently amended by House Documents Nos. 378 and 463. The revised estimate considered by the Committee amounted to \$14,282,000. The accompanying bill carries an appropriation of \$7,900,000 for this purpose, an increase of \$811,000 above the 1962 appropriation.

The two budget amendments totalling \$6,382,000 were to implement the recommendations of a task force created in August 1961 by President Kennedy to investigate the extent to which economic and social conditions contribute to the dissatisfaction of the Ryukyuans, and to determine measures to improve these conditions.

In view of the testimony which indicated that the revised program was not based on need, the Committee has not approved the funds, \$6,382,000, requested for the expanded program.

#### DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

##### SOCIAL SECURITY ADMINISTRATION

###### Assistance to Refugees in the United States

1963 estimate	\$70,110,000
Recommended for 1963	55,000,000

The request of \$70,110,000, contained in House Document No. 514, is to provide funds for assistance to and on behalf of Cuban refugees in the United States. The program is authorized by Public Law 87-510, approved June 28, 1962.

The budget program for this purpose is composed of the following 5 activities to finance an estimated caseload on June 30, 1963, of 213,800 refugees. The cost of each activity in 1962 and proposed for 1963 is also indicated:

Activity	1962	1963
1. Reception, registration, and classification	\$732,000	\$1,000,000
2. Welfare services	28,065,000	51,030,000
3. Resettlement and employment opportunities	3,797,000	8,000,000
4. Education	5,466,000	9,090,000
5. Health services	497,000	990,000
Total	38,557,000	70,110,000

In addition to the estimate noted above, the President has also requested \$350,000, under the State Department item which follows, for the care of Cuban refugees in foreign countries.

The Committee recommends an appropriation of \$55,000,000, for this program, which is an increase of \$16,443,000 above the funds used for this purpose in fiscal 1962.

The budget estimate included a proposed program of \$13,800,000 to finance the care of approximately 7,300 unaccompanied children by the end of fiscal 1963. This is an increase of \$7,530,000 above the 1962 program. Although the anticipated number of children under care is increasing by 3,300, the cost of the program is determined by the rates paid for foster home care and institutional care. These rates are \$165 per month for foster home care and \$195 per month for institutional care. In the opinion of the Committee these rates are excessive and call for re-examination by the officials in charge of the program to bring them into line with rates paid by the States in which the children are domiciled.

#### DEPARTMENT OF STATE

##### MIGRATION AND REFUGEE ASSISTANCE

1963 estimate.....	\$21,977,000
Recommended for 1963.....	14,447,000

The estimate of \$21,977,000 for this program is contained in House Document No. 524 and is authorized by Public Law 87-510, approved June 28, 1962. The funds requested were to finance contributions to international and voluntary refugee relief organizations and the administrative costs associated with the refugee activities of the Department of State.

The budget program by activity follows:

Activity	1963 estimate
1. Contributions to Intergovernmental Committee for European Migration.....	\$9,275,000
2. Contributions to Program of United Nations High Commissioner for Refugees.....	900,000
3. Refugees from European Communist Countries.....	1,500,000
4. Refugees from Communist China.....	2,500,000
5. Tibetan Refugees.....	400,000
6. Cuban Refugees in Foreign Countries.....	350,000
7. Algerians.....	5,300,000
8. Central Africa.....	400,000
9. Refugees from North African Countries.....	200,000
10. Special Persons or Groups.....	275,000
11. Administration.....	877,000
Total.....	21,977,000

The Committee recommends an appropriation of \$14,447,000 for this purpose in fiscal 1963.

Included in the Committee's recommendation are funds for the Intergovernmental Committee for European Migration, U.N. High Commissioner for Refugees, and the Refugees from Communist China

programs. The Committee has not approved the estimate of \$5,-300,000 for the Algerian Refugee program.

This facet of the foreign aid program seems to be typical—funds are requested to assist refugees from countries to whom the U.S. has given, is giving, or is proposing to give grant aid. For example, we are giving aid to refugees from Yugoslavia; aid to refugees from Angola, a Portuguese colony; refugees from Burundi, one of the newly created African nations; and assistance to citizens of Egypt who wish to return to Soviet Armenia. The State Department originally proposed a \$5 million program to aid Laotian refugees in Laos, but deleted this request as the Department understood such a program would be funded by the AID program. This testimony by the State Department was the first indication the subcommittee had of this new program, despite the fact that it had just completed extensive hearings on the world-wide AID program, which includes the aid program in Laos and other areas or countries included in this estimate.

#### INTER-AMERICAN DEVELOPMENT BANK

1963 estimate	\$60,000,000
1962 appropriation	110,000,000
Recommended for 1963	60,000,000

The recommended appropriation of \$60,000,000 to this Bank represents the third and final installment to complete the U.S. subscription to the capital stock of the Bank.

The Bank was created several years ago to help accelerate the economic development of the Latin American republics. Cuba is the only country who is not a member of the Bank. Consequently, the Bank's resources amount to about \$959,500,000, rather than the anticipated \$1 billion in resources.

In addition to the above function, the Bank also acts as administrator of the \$394,000,000 Inter-American Social and Economic Progress fund, which was appropriated by the Congress in May of 1961.

As of June 30, 1962, the Bank had approved the following number of loans out of the 3 funds available to it:

Fund	Number of loans	Amount
Ordinary capital	48	\$155,652,014
Fund for Special Operations	20	68,035,000
Social Progress Trust Fund	36	223,787,000

A matter which caused the Committee some concern was the cost of a trip taken by the President of the Bank, the chief financial officer and the chief economist. The following table indicates the expenses of the 3 participants for the 35 day trip:

*Detail costs of European trip from June 4 to July 9, 1961*

Subsistence <sup>1</sup> -----	\$4,876.05
Incidentals <sup>1</sup> -----	860.67
Representation-----	1,040.68
Transportation <sup>2</sup> -----	6,009.34
 Total-----	 12,786.74

<sup>1</sup> Includes lodging, meals, personal communications, fees, and gratuities, laundry and cleaning, local transportation, official communications, secretarial services, etc.

Subsistence and incidentals per day per person-----	\$64.54
Subsistence and incidentals per person for 35 days-----	2,258.90
Total expenditures per person for 35 days-----	4,262.24

<sup>2</sup> Includes transportation of Mr. Herrera from and to Europe in mid-June to meet with the President of the United States and sign the social progress trust fund agreement.

The Committee questions the necessity for a trip to Europe to interest European capital in the Bank's operations, especially in view of the fact that the Bank had not disbursed one dollar of its capital for any loan at the time of the trip. The cost of this trip, while relatively small, seems to indicate that those officials who have the responsibility for administering the funds of the Bank are not aware of the fact that the contribution of the United States to the Bank is derived from the over-burdened U.S. taxpayer. It would appear that these officials do not understand the fact that United States resources are not inexhaustible.

In addition, the cost of the Board of Governors' meeting in Rio de Janeiro in 1961 seems excessive. There are only 20 members of the Board and the cost of their annual meeting was \$143,358. The budget proposed \$225,000 for the 1962 meeting. A breakdown of the costs of both meetings follows:

*Board of Governors Annual Meeting*

Item	1961 annual meeting (Rio de Janeiro), actual expenses	1962 annual meeting (Buenos Aires), estimated expenses
Travel of Directors, officers, and staff-----	\$92,698	\$124,352
Local services (secretarial, translation, guards, etc.)-----	19,638	22,180
Printing-----	6,859	5,000
Transportation of records, documents, and equipment-----	2,644	8,300
Rental of interpretation and other equipment-----	1,560	7,500
Representation-----	17,745	20,535
Sundry expenses-----	2,214	10,133
Contingencies-----		27,000
 Total-----	 143,358	 225,000

NOTE.—IDB does not pay the travel expenses of the Board of Governors as previously indicated. Travel expenses for the annual meeting are for Directors, officers, and staff.

A position on the Board of Governors is an honorary one—the members serve without compensation—and it is obvious that the annual meetings are expensive. Since the European trip, noted above, and the annual meetings of the Board of Governors, are presently being financed from the capital structure of the Bank, it may be feasible to postpone such activities until this type of expense can be paid from profits of the Bank's operations rather than from the capital structure.

The Committee was quite concerned to discover during the hearings that in prior years the United States had paid in its subscription, only to have the Bank re-invest a portion of the U.S. payment in U.S. securities. This procedure has cost the taxpayers an additional \$2,400,000 in interest payments. The Committee does not approve of the practice and hopes the present Secretary of the Treasury will not pay subscriptions until they are needed, so that this practice will not prevail in the future.

#### INTERNATIONAL DEVELOPMENT ASSOCIATION

1963 estimate-----	\$61,656,000
1962 appropriation-----	61,656,000
Recommended for 1963-----	61,656,000

The Committee recommends the appropriation of \$61,656,000 to this international lending agency, which is an affiliate of the World Bank. This appropriation represents the third installment on the U.S. subscription to the Association, with additional installments of \$61,656,000 due in fiscal years 1964 and 1965.

The Association has 57 members with total subscriptions of \$914,-900,000 and was formed to provide development financing on flexible terms for its less-developed members. The flexible terms of repayment are 50 years, with repayment in dollars or other convertible currencies commencing after a 10-year period of grace. Thereafter, 1 percent per annum of the principal is to be repaid for 10 years, and in each of the remaining 30 years 3 percent of the principal is to be repaid. A service charge of  $\frac{3}{4}$  of 1 percent for administering the loan is charged which provides the Association with funds for its administrative costs.

As is true under the development loan category of the AID program, as of June 30, 1962, India was the largest borrower of the Association's funds, having had 7 loans approved in the amount of \$122,000,000.

### TITLE III—INTERNATIONAL MONETARY FUND

#### LOANS TO THE INTERNATIONAL MONETARY FUND

1963 estimate-----	\$2,000,000,000
Recommended for 1963-----	2,000,000,000

The President submitted the supplemental budget estimate of \$2 billion for fiscal year 1963 for Loans to the International Monetary Fund in House Document No. 446, dated June 25, 1962.

United States participation in the Fund, in the past, has been financed by Treasury borrowing authorization (back-door financing). This is the first time that a direct front-door approach for an appropriation has been requested.

The appropriation of \$2 billion will allow the United States to adhere to the decision of the Executive Directors of the International Monetary Fund of January 5, 1962, to establish a special standby borrowing arrangement for industrialized countries with balance-of-payments difficulties. The participation of the United States in this

special fund was authorized by Public Law 87-490, approved June 19, 1962. The special fund membership and the contribution of each (expressed in U.S. dollars) is as follows:

Participant:	<i>Special fund quota</i>
Germany-----	\$1,000,000,000
France-----	550,000,000
Italy-----	550,000,000
Belgium-----	150,000,000
Netherlands-----	200,000,000
Canada-----	200,000,000
Japan-----	250,000,000
Sweden-----	100,000,000
United Kingdom-----	1,000,000,000
United States-----	2,000,000,000
 Total-----	 6,000,000,000

Testimony presented to the Committee indicated there was no immediate foreseeable expenditure of this appropriation because under the proposed agreement creating the special fund, no country with a balance-of-payments problem of its own could be required to make a loan to the fund. Since the United States is, at the present time and has been in 9 of the past 10 years, in this serious situation, it cannot be called upon for a loan to the special fund. The following table indicates the balance-of-payments position of the United States for the past 10 years:

*U.S. balance of payments position (rounded amounts)*

1952 net deficit-----	-\$1,100,000,000
1953 net deficit-----	-2,100,000,000
1954 net deficit-----	-1,500,000,000
1955 net deficit-----	-1,100,000,000
1956 net deficit-----	-1,000,000,000
1957 (only credit in 10 years)-----	+500,000,000
1958 net deficit-----	-3,400,000,000
1959 net deficit-----	-3,700,000,000
1960 net deficit-----	-3,800,000,000
1961 net deficit-----	-2,400,000,000

On April 30, 1962, the resources of the Fund included \$2.1 billion in gold, \$4.9 billion in dollars and sterling, \$1.9 billion in currencies of other industrialized countries, and the balance in currencies of the less developed countries. On the same date the Fund had commitments of \$2 billion under existing stand-by arrangements with various members of the Fund.

Under the normal operations of the International Monetary Fund the United States could draw down almost automatically \$2.4 billion, and additional amounts could be drawn, depending upon the seriousness of the situation and the measures which the United States was taking to cope with it.

It is obvious that the Fund now lacks the resources in gold and the currencies of industrial countries, other than dollars and sterling, to meet a large drawing such as the United States would be entitled to request from the Fund.

As of August 7, 1962, the United Kingdom, Germany, France, Italy, Japan, Sweden, and the Netherlands with total commitments of

\$3,650,000,000 have taken affirmative action to adhere to the Decision. Affirmative action now by the United States will put the arrangement into force.

The Committee, therefore, recommends the appropriation of \$2 billion to put into effect the decision of the Executive Directors of the Fund to create this special fund, which will make available to the IMF an additional \$4 billion in currencies of Western Europe, Japan, and Canada. In addition, the Committee has included in the bill language limiting the availability of the appropriation to December 31, 1966.

The following steps are a simplified analysis of how the special borrowing arrangement would work if it were necessary for the United States to utilize it:

1. The United States would notify the IMF that it wanted to draw down \$4 billion—the maximum under this special arrangement.

2. The IMF would then issue a call for the pledged currencies of the other 9 members of the special borrowing arrangement.

3. As soon as the \$4 billion was collected, the IMF would turn that amount of foreign currencies over to the United States in exchange for \$4 billion of non-interest-bearing notes.

4. The U.S. could then use the \$4 billion in foreign currencies to purchase \$4 billion of U.S. dollars (in excess to their needs) held by any of the 9 member nations.

5. If the present deficit balance-of-payments position of the United States is reversed, the U.S. would then repay the \$4 billion in the foreign currencies which it had borrowed from the fund.

6. If the United States should not reverse its present deficit balance-of-payments position, it would then have to repay the \$4 billion in gold or other convertible currency (not U.S. dollars). Then we would be right back where we started from and we would be in the same difficult position that we are in today.

#### TITLE IV—EXPORT IMPORT BANK OF WASHINGTON

*Limitation on operating and administrative expenses.*—The President's Budget proposed an operating expense budget of \$1,298,000,000, including \$3,000,000 for administrative expenses. The Committee has approved the budget estimate for both purposes and has included limitations in the bill to that effect.

Included in the overall limitation is a limitation of \$750,000,000 for commitments for development project loans, the same amount as the budget program for this purpose.

#### TITLE V—MISCELLANEOUS AGENCIES

##### FOREIGN CLAIMS SETTLEMENT COMMISSION

###### PAYMENT OF PHILIPPINE WAR DAMAGE CLAIMS

There is included in the bill the sum of \$73,000,000, for the payment of the unpaid balance of awards for war damage compensation heretofore made by the Philippine War Damage Commission, as authorized

by law, of which \$500,000 shall be available to finance additional administrative costs of the Commission.

#### UNITED STATES INFORMATION AGENCY

##### ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

The additional sum of \$1,600,000 is contained in the bill to commence construction of a needed megawatt medium wave transmitter in Thailand.

#### DEPARTMENT OF STATE

##### INTERNATIONAL CONFERENCES AND CONTINGENCIES

The bill includes \$849,000 for the initial United States assessed contribution to the International Commission for Supervision and Control of the Peace in Laos. The United States contribution is 17.6% of the total budget.

#### LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations not heretofore carried in connection with any appropriation bill are recommended:

On page 2 in connection with International organizations and programs:

*Provided, That no part of any other appropriation contained in this Act may be used to augment funds or programs contained in this paragraph.*

On page 7 in connection with General provisions:

*SEC. 109. No funds appropriated by title I of this Act, except funds appropriated under that section entitled "American hospitals abroad (special foreign currency program)" shall be expended in, or for the benefit of, any nation whose government is based upon that theory of government known as Communism.*

*SEC. 110. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for making payments on any contract entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.*

*SEC. 111. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any contract for the performance of services outside the United States by United States citizens where such citizens have not been investigated for loyalty and security in the same manner and to the extent as would apply if they were regularly employed by the United States.*

On page 8, in connection with Peace Corps:

*of which not to exceed \$15,500,000 shall be available for administration and program support costs:*

On page 12, in connection with Loans to the International Monetary Fund:

*The indefinite appropriation for the payment of interest on the public debt (31 U.S.C. 711), shall be available for the payment of charges in connection with any purchases of currencies or gold by the United States from the International Monetary Fund.*

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1962, AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1963**

**TITLE I—FOREIGN AID (MUTUAL SECURITY)**

Item	Appropriations, 1962	Budget estimates, 1963	Recommended in bill for 1963	Bill compared with—	
				1962 appropriations	1963 estimates
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>					
ECONOMIC ASSISTANCE					
Development grants—	\$296, 500, 000	\$335, 000, 000	\$2225, 000, 000	-\$71, 500, 000	-\$110, 000, 000
Development grants, special authorization—	100, 000			-100, 000	
American hospitals abroad (special foreign currency program)—		1 2, 800, 000	2, 800, 000	+2, 800, 000	
Investment guarantees—		2 180, 000, 000	30, 000, 000	+30, 000, 000	-150, 000, 000
Surveys of investment opportunities—		5, 000, 000	-----	-1, 500, 000	-5, 000, 000
International organizations and programs—		1, 500, 000	-----		
Supporting assistance—		153, 500, 000	148, 900, 000	-4, 600, 000	
Contingency fund—		425, 000, 000	3 481, 500, 000	-75, 000, 000	
Alliance for Progress—		275, 000, 000	400, 000, 000	-50, 000, 000	-175, 000, 000
Development loans—		1, 112, 500, 000	1, 250, 000, 000	775, 000, 000	-337, 500, 000
Administrative expenses (AID)—	47, 500, 000	55, 000, 000	46, 000, 000	-1, 500, 000	-475, 000, 000
Administrative expenses (State)—	3, 000, 000	3, 100, 000	2, 700, 000	-300, 000	-400, 000
Subtotal, economic assistance—	2, 314, 600, 000	3, 461, 300, 000	2, 330, 490, 000	+15, 800, 000	-1, 130, 900, 000

MILITARY ASSISTANCE					
Military assistance	1, 600, 000	1, 500, 000, 000	1, 300, 000, 000	-300, 000, 000	-200, 000, 000
Total, Title I—Foreign Aid (mutual security)	3, 914, 600, 000	4, 961, 300, 000	3, 630, 400, 000	-284, 200, 000	-1, 330, 900, 000

## TITLE II—FOREIGN AID (OTHER)

FUNDS APPROPRIATED TO THE PRESIDENT					
Peace Corps	\$30, 000, 000	\$63, 750, 000	\$52, 000, 000	+\$22, 000, 000	-\$11, 750, 000
DEPARTMENT OF THE ARMY					
Ryukyu Islands	7, 089, 000	4 14, 282, 000	7, 900, 000	+811, 000	-6, 382, 000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Assistance to refugees in the United States (Cuban refugees)	5 70, 110, 000	55, 000, 000	+55, 000, 000	-15, 110, 000	
DEPARTMENT OF STATE					
Migration and refugee assistance	6 21, 977, 000	14, 447, 000	+14, 447, 000	-7, 530, 000	

<sup>1</sup> Contained in H. Doc. 430.<sup>2</sup> Contained in H. Docs. 430 and 503. H. Doc. 430 substituted a request for an appropriation of \$100,000,000 in lieu of the request for an authorization to expend from debt receipts in the same amount, as proposed in the January Budget.<sup>3</sup> Reflects decrease of \$18,500,000 in H. Doc. 430.<sup>3a</sup> Includes \$425,000,000 for loans and \$100,000,000 for grants.<sup>4</sup> Includes \$6,000,000 contained in H. Doc. 378 and \$382,000 contained in H. Doc. 463.<sup>5</sup> Contained in H. Doc. 514.<sup>6</sup> Contained in H. Doc. 524.

*Comparative statement of appropriations for 1962, and estimates and amounts recommended in bill for 1963—(continued)*

**TITLE II—FOREIGN AID (OTHER)—Continued**

Item	Appropriations, 1962	Budget estimates, 1963	Recommended in bill for 1963	Bill compared with—	
				1962 appropriations	1963 estimates
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>					
Investment in the Inter-American Development Bank-----	\$110,000,000	\$60,000,000	\$60,000,000	-\$50,000,000	-----
Subscription to the International Development Association-----	61,656,000	61,656,000	61,656,000	-----	-----
Total, Title II—Mutual security (other)-----	208,745,000	291,775,000	251,003,000	+42,258,000	-\$10,772,000

**TITLE III—INTERNATIONAL MONETARY FUND**

Funds Appropriated to the President				
Loans to the International Monetary Fund-----	-----	\$2,000,000	\$2,000,000	+\$2,000,000
<b>TITLE IV—EXPORT-IMPORT BANK OF WASHINGTON</b>				
Limitation on operating expenses-----	(\$1,300,000,000)	(\$1,295,000,000)	(\$1,295,000,000)	(-\$5,000,000)
Limitation on administrative expenses-----	(3,010,000)	(3,000,000)	(3,000,000)	(-10,000)

## TITLE V—MISCELLANEOUS AGENCIES

FOREIGN AID APPROPRIATIONS, 1963

39

Item	Appropriation, 1962	Budget estimate, 1963	Recommended in bill for 1963	Bill compared with—	
				1962 appropriations	1963 estimate
FOREIGN CLAIMS SETTLEMENT COMMISSION					
Payment of Philippine war damage claims		\$73,000,000	\$73,000,000	+\$73,000,000	-\$560,000
Salaries and expenses		560,000	(10)		
UNITED STATES INFORMATION AGENCY					
Acquisition and construction of radio facilities		* 7,375,000	1,600,000	+1,600,000	-5,775,000
DEPARTMENT OF STATE					
International Organizations and Conferences		9 1,019,000	849,000	+849,000	-170,000
International conferences and contingencies					
Total, Title V—Miscellaneous agencies		81,954,000	75,449,000	+75,449,000	-6,505,000
Grand total, all titles of the bill	\$4,123,345,000	7,335,029,000	5,956,852,000	+1,833,507,000	-1,378,177,000

<sup>7</sup> Contained in H. Doc. 446.<sup>8</sup> Contained in H. Doc. 535.<sup>9</sup> Contained in H. Doc. 537.<sup>10</sup> \$500,000 made available in item, Payment of Philippine war damage claims.



87<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**Union Calendar No. 1010**  
**H. R. 13175**

[Report No. 2410]

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IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 1962

Mr. PASSMAN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

**A BILL**

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

- 1      *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*
- 2      That the following sums are appropriated, out of any money
- 3      in the Treasury not otherwise appropriated, for the fiscal
- 4      year ending June 30, 1963, namely:

## 1 TITLE I—FOREIGN AID (MUTUAL SECURITY)

## 2 FUND APPROPRIATED TO THE PRESIDENT

3 For expenses necessary to enable the President to carry  
4 out the provisions of the Foreign Assistance Act of 1961,  
5 as amended, to remain available until June 30, 1963,  
6 unless otherwise specified herein, as follows:

## 7 ECONOMIC ASSISTANCE

8 Development grants: For expenses authorized by section  
9 212, \$225,000,000.

10 American hospitals abroad (special foreign currency  
11 program): For assistance authorized by section 214(b)  
12 for hospital construction, \$2,800,000, to be used to pur-  
13 chase foreign currencies which the Treasury Department  
14 determines to be excess to the normal requirements of the  
15 United States.

16 Investment guaranties: For expenses authorized by  
17 section 222(f), \$30,000,000, to remain available until  
18 expended.

19 International organizations and programs: For expenses  
20 authorized by section 302, \$148,900,000: *Provided*, That  
21 no part of any other appropriation contained in this Act  
22 may be used to augment funds or programs contained in  
23 this paragraph.

24 Supporting assistance: For expenses authorized by  
25 section 402, \$350,000,000.

1 Contingency fund: For expenses authorized by section  
2 451 (a), \$225,000,000.

3        Alliance for Progress, development loans: For assistance  
4    authorized by section 252, \$425,000,000, to remain available  
5    until expended.

6        Alliance for Progress, development grants: For expenses  
7    authorized by section 252, \$100,000,000.

8        Development loans: For expenses authorized by section  
9 202 (a), \$775,000,000, to remain available until expended.

10       Administrative expenses: For expenses authorized by  
11 section 637 (a), \$46,000,000.

12        Administrative and other expenses: For expenses  
13    authorized by section 637 (b) of the Foreign Assistance Act  
14    of 1961 and by section 305 of the Mutual Defense Assistance  
15    Control Act of 1951, as amended, \$2,700,000.

## MILITARY ASSISTANCE

17        Military assistance: For expenses authorized by section  
18        504 (a) of the Foreign Assistance Act of 1961, including  
19        administrative expenses authorized by section 636 (g) (1)  
20        of such Act, which shall not exceed \$24,000,000 for the cur-  
21        rent fiscal year, and purchase of passenger motor vehicles  
22        for replacement only for use outside the United States,  
23        \$1,300,000,000.

24        Unobligated balances as of June 30, 1962, of funds here-  
25        tofore made available under the authority of the Foreign

1 Assistance Act of 1961, are, except as otherwise provided  
2 by law, hereby continued available for the fiscal year 1963  
3 for the same general purposes for which appropriated.

## 4 GENERAL PROVISIONS

5 SEC. 101. None of the funds herein appropriated  
6 (other than funds appropriated under the authorization for  
7 "International organizations and programs") shall be used  
8 to finance the construction of any new flood control, reclama-  
9 tion, or other water or related land resource project or pro-  
10 gram which has not met the standards and criteria used in  
11 determining the feasibility of flood control, reclamation and  
12 other water and related land resource programs and projects  
13 proposed for construction within the United States of  
14 America as per circular A-47 of the Bureau of the Budget,  
15 dated December 31, 1952.

16 SEC. 102. Obligations made from funds herein ap-  
17 propriated for engineering and architectural fees and services  
18 to any individual or group of engineering and architectural  
19 firms on any one project in excess of \$25,000 shall be re-  
20 ported to the Committees on Appropriations of the Senate  
21 and House of Representatives at least twice annually.

22 SEC. 103. Except for the appropriations entitled "Con-  
23 tingency fund" and "Development loans", not more than

1    20 per centum of any appropriation item made available by  
2    this title shall be obligated and/or reserved during the last  
3    month of availability.

4       SEC. 104. None of the funds herein appropriated nor  
5    any of the counterpart funds generated as a result of assist-  
6    ance hereunder or any prior Act shall be used to pay pen-  
7    sions, annuities, retirement pay or adjusted service compen-  
8    sation for any persons heretofore or hereafter serving in the  
9    armed forces of any recipient country.

10      SEC. 105. The Congress hereby reiterates its opposi-  
11    tion to the seating in the United Nations of the Communist  
12    China regime as the representative of China, and it is here-  
13    by declared to be the continuing sense of the Congress that  
14    the Communist regime in China has not demonstrated its  
15    willingness to fulfill the obligations contained in the Charter  
16    of the United Nations and should not be recognized to repre-  
17    sent China in the United Nations. In the event of the  
18    seating of representatives of the Chinese Communist regime  
19    in the Security Council or General Assembly of the United  
20    Nations, the President is requested to inform the Congress  
21    insofar as is compatible with the requirements of national  
22    security, of the implications of this action upon the foreign  
23    policy of the United States and our foreign relationships,

1 including that created by membership in the United Nations,  
2 together with any recommendations which he may have with  
3 respect to the matter.

4 SEC. 106. It is the sense of Congress that any attempt  
5 by foreign nations to create distinctions because of their race  
6 or religion among American citizens in the granting of per-  
7 sonal or commercial access or any other rights otherwise  
8 available to United States citizens generally is repugnant to  
9 our principles; and in all negotiations between the United  
10 States and any foreign state arising as a result of funds appro-  
11 priated under this title these principles shall be applied as  
12 the President may determine.

13 SEC. 107. None of the funds provided in this title shall  
14 be available for assistance to any country, the government of  
15 which sells arms, ammunition, or implements of war to the  
16 Castro regime, or which furnishes, by grant or loan, any  
17 military or economic aid to that regime, unless the President  
18 determines that the withholding of such assistance to such  
19 country would be contrary to the national interest.

20 SEC. 108. Any obligation made from funds provided in  
21 this title for procurement outside the United States of any  
22 commodity in bulk and in excess of \$100,000 shall be  
23 reported to the Committees on Appropriations of the Senate  
24 and the House of Representatives at least twice annually:  
25 *Provided*, That each such report shall state the reasons for

1 which the President determined, pursuant to criteria set  
2 forth in section 604 (a) of the Foreign Assistance Act of  
3 1961, that foreign procurement will not adversely affect the  
4 economy of the United States.

5 SEC. 109. No funds appropriated by title I of this Act,  
6 except funds appropriated under that section entitled "Amer-  
7 ican hospitals abroad (special foreign currency program)"  
8 shall be expended in, or for the benefit of, any nation whose  
9 government is based upon that theory of government known  
10 as Communism.

11 SEC. 110. None of the funds appropriated or made avail-  
12 able pursuant to this Act for carrying out the Foreign  
13 Assistance Act of 1961, as amended, may be used for mak-  
14 ing payments on any contract entered into after the date of  
15 enactment of this Act which does not contain a provision  
16 authorizing the termination of such contract for the conven-  
17 ience of the United States.

18 SEC. 111. None of the funds appropriated or made  
19 available under this Act for carrying out the Foreign As-  
20 sistance Act of 1961, as amended, may be used to make pay-  
21 ments with respect to any contract for the performance of  
22 services outside the United States by United States citizens  
23 where such citizens have not been investigated for loyalty and  
24 security in the same manner and to the same extent as would  
25 apply if they were regularly employed by the United States.

1        SEC. 112. It is the sense of Congress that in the admin-  
2 istration of these funds great attention and consideration  
3  should be given to those nations which share the view of the  
4  United States on the world crisis.

5            TITLE II—FOREIGN AID (OTHER)

6            FUNDS APPROPRIATED TO THE PRESIDENT

7            PEACE CORPS

8        For expenses necessary to enable the President to carry  
9  out the provisions of the Peace Corps Act (75 Stat. 612),  
10 including purchase of not to exceed ten passenger motor  
11 vehicles for use outside the United States, \$52,000,000, of  
12 which not to exceed \$15,500,000 shall be available for  
13 administration and program support costs.

14          DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

15            RYUKYU ISLANDS, ARMY

16            ADMINISTRATION

17        For expenses, not otherwise provided for, necessary to  
18  meet the responsibilities and obligations of the United States  
19  in connection with the government of the Ryukyu Islands,  
20  as authorized by the Act of July 12, 1960 (74 Stat. 461);  
21  services as authorized by section 15 of the Act of August 2,  
22  1946 (5 U.S.C. 55a), of individuals not to exceed ten in  
23  number; not to exceed \$3,500 for contingencies for the  
24  High Commissioner, to be expended in his discretion;  
25  hire of passenger motor vehicles and aircraft; purchase of

1 four passenger motor vehicles for replacement only; and con-  
2 struction, repair, and maintenance of buildings, utilities, fa-  
3 cilities, and appurtenances; \$7,900,000, of which not to exceed  
4 \$1,900,000 shall be available for administrative and informa-  
5 tion expenses: *Provided*, That expenditures from this appro-  
6 priation may be made outside continental United States when  
7 necessary to carry out its purposes, without regard to sections  
8 355 and 3648, Revised Statutes, as amended, section 4774  
9 (d) of title 10, United States Code, civil service or classi-  
10 fication laws, or provisions of law prohibiting payment of  
11 any person not a citizen of the United States: *Provided*  
12 *further*, That funds appropriated hereunder may be used,  
13 insofar as practicable, and under such rules and regulations  
14 as may be prescribed by the Secretary of the Army to pay  
15 ocean transportation charges from United States ports, in-  
16 cluding territorial ports, to ports in the Ryukyus for the  
17 movement of supplies donated to, or purchased by, United  
18 States voluntary nonprofit relief agencies registered with and  
19 recommended by the Advisory Committee on Voluntary  
20 Foreign Aid or of relief packages consigned to individuals  
21 residing in such areas: *Provided further*, That the President  
22 may transfer to any other department or agency any function  
23 or functions provided for under this appropriation, and there  
24 shall be transferred to any such department or agency with-

1 out reimbursement and without regard to the appropriation  
2 from which procured, such property as the Director of the  
3 Bureau of the Budget shall determine to relate primarily to  
4 any function or functions so transferred.

5 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

6 ASSISTANCE TO REFUGEES IN THE UNITED STATES

7 For expenses necessary to carry out the provisions of  
8 the Migration and Refugee Assistance Act of 1962 (Public  
9 Law 87-510), relating to aid to refugees within the United  
10 States, including hire of passenger motor vehicles, and serv-  
11 ices as authorized by section 15 of the Act of August 2, 1946  
12 (5 U.S.C. 55a), \$55,000,000: *Provided*, That this app-  
13 priation shall reimburse other current applicable appropria-  
14 tions for activities conducted after June 30, 1962, pursuant  
15 to section 7 of the Migration and Refugee Assistance Act of  
16 1962.

17 DEPARTMENT OF STATE

18 MIGRATION AND REFUGEE ASSISTANCE

19 For expenses, not otherwise provided for, necessary to  
20 enable the Secretary of State to provide assistance to ref-  
21 ugees, as authorized by law, including contributions to the  
22 Intergovernmental Committee for European Migration and  
23 the United Nations High Commissioner for Refugees; sal-

1     aries, expenses, and allowances of personnel and dependents as  
2     authorized by the Foreign Service Act of 1946, as amended  
3     (22 U.S.C. 801-1158) ; hire of passenger motor vehicles;  
4     and services as authorized by section 15 of the Act of  
5     August 2, 1946 (5 U.S.C. 55a) ; \$14,447,000: *Provided*,  
6     That this appropriation shall reimburse other applicable  
7     appropriations for activities conducted after June 30, 1962,  
8     pursuant to section 7 of the Migration and Refugee Assist-  
9     ance Act of 1962: *Provided further*, That no funds herein  
10    appropriated shall be used to assist directly in the migration  
11    to any nation in the Western Hemisphere of any person  
12    not having a security clearance based on reasonable stand-  
13    ards to insure against Communist infiltration in the Western  
14    Hemisphere.

15                   **FUNDS APPROPRIATED TO THE PRESIDENT**

16    **INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK**

17       For payment of subscriptions to the Inter-American  
18    Development Bank, to remain available until expended,  
19    \$60,000,000 for the third installment on paid-in capital stock.

20    **SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT**

21                   **ASSOCIATION**

22       For payment of the third installment of the subscription  
23    of the United States to the International Development As-  
24    sociation, \$61,656,000, to remain available until expended.

1   TITLE III—INTERNATIONAL MONETARY FUND  
2                   Funds Appropriated to the President  
3                   Loans to the International Monetary Fund

4       For loans to the International Monetary Fund, as au-  
5   thorized by the Act of June 19, 1962 (Public Law 87-490),  
6   \$2,000,000,000, to remain available until December 31,  
7   1966. The indefinite appropriation for the payment of  
8   interest on the public debt (31 U.S.C. 711), shall be avail-  
9   able for the payment of charges in connection with any pur-  
10   chases of currencies or gold by the United States from the  
11   International Monetary Fund.

12          TITLE IV—EXPORT-IMPORT BANK OF  
13                   WASHINGTON

14       The Export-Import Bank of Washington is hereby  
15   authorized to make such expenditures within the limits of  
16   funds and borrowing authority available to such corporation,  
17   and in accord with law, and to make such contracts and  
18   commitments without regard to fiscal year limitations as  
19   provided by section 104 of the Government Corporation  
20   Control Act, as amended, as may be necessary in carrying  
21   out the programs set forth in the budget for the current fiscal  
22   year for such corporation, except as hereinafter provided:

23                   LIMITATION ON OPERATING EXPENSES

24       Not to exceed \$1,295,000,000 (of which not to exceed  
25   \$750,000,000 shall be for development loans) shall be

1 authorized during the current fiscal year for other than  
2 administrative expenses.

3           **LIMITATION ON ADMINISTRATIVE EXPENSES**

4       Not to exceed \$3,000,000 (to be computed on an  
5 accrual basis) shall be available during the current  
6 fiscal year for administrative expenses, including serv-  
7 ices as authorized by section 15 of the Act of August 2, 1946  
8 (5 U.S.C. 55a) at rates not to exceed \$75 per diem for  
9 individuals, and not to exceed \$9,000 for entertainment  
10 allowances for members of the Board of Directors:  
11 *Provided*, That (1) fees or dues to international organiza-  
12 tions of credit institutions engaged in financing foreign trade,  
13 (2) necessary expenses (including special services per-  
14 formed on a contract or fee basis, but not including other per-  
15 sonal services) in connection with the acquisition, operation,  
16 maintenance, improvement, or disposition of any real or  
17 personal property belonging to the Bank or in which it has  
18 an interest, including expenses of collections of pledged col-  
19 lateral, or the investigation or appraisal of any property in  
20 respect to which an application for a loan has been made,  
21 and (3) expenses (other than internal expenses of the  
22 Bank) incurred in connection with the issuance and serv-  
23 icing of guarantees, insurance, and reinsurance shall be con-  
24 sidered as nonadministrative expenses for the purposes  
25 hereof.

## 1        TITLE V—MISCELLANEOUS AGENCIES

## 2        FOREIGN CLAIMS SETTLEMENT COMMISSION

## 3        PAYMENT OF PHILIPPINE WAR DAMAGE CLAIMS

4        For the payment of the unpaid balance of awards for  
5        war damage compensation heretofore made by the Philippine  
6        War Damage Commission, as authorized by law, \$73,000,-  
7        000, to remain available until expended, of which \$500,000  
8        shall be available for "Salaries and expenses", including an  
9        additional amount of not to exceed \$25,000 for expenses of  
10      travel.

## 11        UNITED STATES INFORMATION AGENCY

## 12        ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

13        For an additional amount for "Acquisition and construc-  
14      tion of radio facilities", \$1,600,000, to remain available until  
15      expended.

## 16        DEPARTMENT OF STATE

## 17        INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## 18        International Conferences and Contingencies

19        For an additional amount for "International conferences  
20      and contingencies", \$849,000.

## 21        TITLE VI—GENERAL PROVISIONS

22        SEC. 601. No part of any appropriation contained in  
23      this Act shall be used for publicity or propaganda purposes  
24      within the United States not heretofore authorized by the  
25      Congress.

1        SEC. 602. None of the funds herein appropriated shall  
2    be used for expenses of the Inspector General, Foreign As-  
3    sistance, after the expiration of the thirty-five day period  
4    which begins on the date the General Accounting Office or  
5    any committee of the Congress, or any duly authorized  
6    subcommittee thereof, charged with considering foreign as-  
7    sistance legislation, appropriations, or expenditures, has de-  
8    livered to the office of the Inspector General, Foreign Assist-  
9    ance, a written request that it be furnished any document,  
10   paper, communication, audit, review, finding, recommenda-  
11   tion, report, or other material in the custody or control of  
12   the Inspector General, Foreign Assistance, relating to any  
13   review, inspection, or audit arranged for, directed, or con-  
14   ducted by him, unless and until there has been furnished to  
15   the General Accounting Office or to such committee or sub-  
16   committee, as the case may be, (A) the document, paper,  
17   communication, audit, review, finding, recommendation, re-  
18   port, or other material so requested or (B) a certification  
19   by the President, personally, that he has forbidden the fur-  
20   nishing thereof pursuant to such request and his reason for  
21   so doing.

22        SEC. 603. This Act may be cited as the "Foreign  
23   Aid and Related Agencies Appropriation Act, 1963."

87TH CONGRESS  
2D SESSION

# H. R. 13175

[Report No. 2410]

## A BILL

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

By Mr. PASSMAN

SEPTEMBER 18, 1962

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed



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# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued Sept. 21, 1962  
For actions of Sept. 20, 1962  
87th-2d No. 170

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**HIGHLIGHTS:** House agreed to conference report on farm bill. Senate agreed to vote on farm bill conference report Tues., 9-25, 3 p.m. Sen. Williams, Del., charged certain USDA employees abuse leave privileges. House passed foreign aid appropriation bill. House Rules Committee cleared bill to further restrict employment of children in agriculture. Rep. Aspinall defended his committee's action on wilderness bill. Sen. Curtis criticized effects of rail strike on shipment of farm products in Midwest. Senate committee received permission to report pay bill. Sen. Engle commended Calif. counties four-point program to aid lumber industry. Rep. Cooley commended Secretary Freeman and inserted article.

### HOUSE

1. **FARM PROGRAM.** By a vote of 202 to 197, agreed to the conference report on H. R. 12391, the proposed Food and Agriculture Act of 1962. See Digest No. 167 for a summary of this bill. pp. 18989-9014
2. **FOREIGN TRADE.** Conferees were appointed on H. R. 11970, the proposed Trade Expansion Act of 1962. Senate conferees have been appointed. p. 18987
3. **MIGRANT LABOR.** The "Daily Digest" states that the Rules Committee "Granted an open rule, with 1 hour of debate, on S. 1123, to amend the Fair Labor Standards Act of 1938, to extend the child labor provisions thereof to certain children employed in agriculture," and that the committee "Denied a rule on S. 1126, to provide for the registration of contractors of migrant agricultural workers." p. D873

4. MIGRATORY BIRDS. The Merchant Marine and Fisheries Committee voted to report (but did not actually report) with amendment S. 3504, to provide for alternate representation of secretarial officers on the Migratory Bird Conservation Commission. p. D873
5. WILDERNESS. Rep. Aspinall defended his committee's action on H. R. 776, the wilderness bill, and said, "... the extremists have ... created an atmosphere which makes impossible the enactment of any wilderness legislation during this Congress." pp. 19079-82
6. TRANSPORTATION. Received the conference report on S. 320, to amend the Interstate Commerce Act so as to permit State commissions to grant the right to motor common carriers operating within a single State to engage in interstate or foreign operations within the State (H. Rept. 2439). pp. 18987-8, 19105
- 
7. FOREIGN AID APPROPRIATION BILL, 1963. By a vote of 249 to 144, passed with amendment this bill, H. R. 13175. This bill includes \$225,000,000 for development grants, \$30,000,000 for investment guaranties, \$525,000,000 for Alliance for Progress, \$775,000,000 for development loans, \$52,000,000 for the Peace Corps, and \$2,000,000 for the International Monetary Fund. pp. 19030-68
8. LAW; COURTS. Concurred in the Senate amendments to H. R. 1960, to make it possible to bring actions against Government officials and agencies in U. S. district courts outside D. C., which, because of certain existing limitations on jurisdiction and venue, may now be brought only in the U. S. District Court for D. C. pp. 18988-9
9. EDUCATION. By a vote of 214 to 185, recommitted with instructions the conference report on H. R. 8900, the proposed College Academic Facilities and Student Assistance Act. pp. 19015-30
10. MINERALS. Received the conference reports on H. R. 8134, to effect a statutory withdrawal of certain former Taylor Grazing Act lands near Phoenix, Ariz., from all forms of entry under the public land laws (H. Rept. 2451), and H. R. 10566, to provide for the withdrawal and orderly disposition of mineral interests in certain public lands in Pima County, Ariz. (H. Rept. 2452). pp. 10969-70, 19105  
Concurred in the Senate amendments to H. R. 11266, to extend to Alaska the provisions governing the disposition of public lands under the townsite laws so as to permit tracts of land in Alaska to be sold subject to a reservation of the U. S. of coal, oil, and gas. This bill will now be sent to the President. p. 19073
11. CLAIMS. Received from the President supplemental appropriation estimate to pay claim and judgments against the U. S. (H. Doc. 558). p. 19105
12. RECLAMATION. Passed without amendment S. 1023, to provide for the construction, operation, and maintenance of additional features of the Talent division of the Rogue River Basin reclamation project, Ore. This bill will now be sent to the President. p. 19070  
Passed as reported H. R. 7811, to amend the act authorizing the Crooked River Federal reclamation project to provide for the irrigation of additional lands, and S. 1060, to authorize the Secretary of Interior to construct, operate and maintain the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Wash. pp. 19070-2
13. GOVERNMENT OPERATIONS. Rep. Dawson submitted the 24th Report of the Committee on Government Operations (H. Rept. 2440). p. 19105

during the next 3 years. In other words, the proposed Federal scholarship program would provide limited financial assistance to only about 212,500 highly able but financially needy students out of the more than 10 million high school graduates of the next 5 years. In almost every instance it would be necessary for the recipients of these scholarship awards to augment the scholarship stipend through a student loan or a job or both. These can scarcely be considered "free rides" for America's professional manpower of the future.

**Mr. JOELSON.** Mr. Speaker, I am pleased to support the conference report now under consideration. It is of the utmost importance that there be sufficient facilities to provide our youth with higher education in our colleges and universities.

I also support the loan and scholarship features because I believe that every qualified and capable American youth should have the opportunity for advanced education, no matter what his economic status. The loan program under the National Defense Education Act, although most desirable as far as it goes, is inadequate.

I am also satisfied that the conference report does equity and justice to all higher educational institutions.

**Mr. ROBISON.** Mr. Speaker, I am distressed by the position in which I find myself with respect to this conference report on the college academic facilities bill.

I am fully aware of the relationship between the strength of our colleges and universities and our Nation's own future strength. I am equally aware of the special importance of higher education to the congressional district that I hope to represent in the next Congress—a district that will contain no less than five institutions of higher learning, including my own alma mater Cornell University.

Our colleges and universities now face the challenge of an unprecedented flood of new students desiring and deserving to enroll. It is a challenge which they may be unable to meet alone. Thus it was that, on last January 30, I willingly lent my support to the so-called college academic facilities bill in the form in which it was first presented to this body.

Since its passage, those 8 months ago, I have been disappointed to note that this bill, which represented a positive and immediate step toward assuring the meeting of that challenge, had bogged down in a sea of conflicting positions and philosophies in the other body. One of the regrettable results of this has been the delaying of the initial progress that could have been made—a delay that has quite naturally been intensified by the fact that many institutions most seriously in need of assistance to construct urgently needed classrooms and other academic facilities have postponed all other action on their own pending the decision of this Congress.

Now, however, a majority of the conference committee—in a rather desperate effort to salvage something from all

this—have reported back to us a bill that differs markedly from the measure for which I first voted. To mollify those who oppose any assistance to private institutions—although there is ample Federal precedent for this in the field of higher education—the construction grant program has been narrowed so as to cover only those structures which will be used in research in the so-called natural or physical sciences, for engineering instruction, or for use as libraries. I will not quarrel with this limitation, although I do think it is unnecessarily narrow and may well detract from the effectiveness of the program as originally envisioned by the House.

Nor will I quarrel with the other minor changes as recommended by the conferees, but I do object to the price we are being asked to pay for the enactment of the much-needed construction assistance, mainly, a new student so-called loan program. Today, we have all received a most-expensive wire from the new Secretary of the Department of Health, Education, and Welfare, applauding the result of the conference and describing the proposed new program of student financial aid as—and I quote:

A continuation and extension of the widely acclaimed and almost universally accepted student loan program [under] the National Defense Education Act.

Now, I do not intend to downgrade the material benefits that have been realized by worthy college students under this going program. Some measure of the extent thereof is shown by the fact that, since its inception in 1959, we have poured into it nearly a quarter of a billion dollars and that the current allotment of funds thereto is running at the annual rate of \$82 million. Some 1,452 colleges and universities are participating, with upwards of 158,000 college students now receiving benefits.

Thus, this is a program of no mean magnitude, especially when one considers that it supplements countless pre-existing private scholarship and loan funds, as well as some form of student financial assistance as provided by nearly all of the several States—among whom New York is an acknowledged leader.

In addition—as I understand it—Congress has annually been appropriating practically the full amount requested by the higher education community for this program, so that the only institutions that may feel a shortage of funds are those 93 or so that are subject to the annual \$250,000 ceiling on their allotment, a limitation that was designed to protect and promote the growth of the smaller institutions. So it is not surprising that—with some exceptions, of course—one does not find a great deal of enthusiasm in the higher education community for a new Federal program of student loans or even for a scholarship program—hidden in the conference report as "nonreimbursable loans," whatever they are.

This is not to say that the NDEA student-loan program is working effectively. Far from it; instead, that program needs a thorough review and perhaps a com-

plete overhaul. This has long been promised by the chairman of the House Committee on Education and Labor—but I guess he has been busy with other matters.

In any event, this proposed new program is not a "continuation and extension" of the NDEA loan program—as the Secretary claims—it is a different program piled helter-skelter on top thereof, having different ground rules and different ambitions.

Mr. Speaker, this simply is just not the way to legislate. Instead of creating new and conflicting programs of Federal aid, we ought to be intent on improving and streamlining those that we already have; we ought to review the areas of true need and we should aim to substitute clarity and equality of treatment for confusion and discrimination.

Mr. Speaker, I want this program of aid for academic facilities for our colleges and universities, but I also want to discharge my duty as a responsible legislator. That is why I shall vote for the anticipated recommital motion to eliminate the loan provisions and, if that fails, I shall feel constrained to vote against the conference report. We have waited 8 months for the original House program; if necessary, we can wait a little longer, regrettable though that may be.

**Mr. MAHON.** Mr. Speaker, when the House version of this Federal aid to education measure was before the House on January 30 of this year I was among the 79 who voted against it.

I shall vote to recommit the revised version of the House bill which is contained in this conference report and if the opportunity is presented I shall vote against the bill agreed to in conference.

I want the RECORD to show that I continue to oppose Federal aid to education.

**Mrs. GREEN of Oregon.** Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

**Mr. KEARNS.** Mr. Speaker, I offer a motion to recommit.

**The SPEAKER.** Is the gentleman opposed to the conference report?

**Mr. KEARNS.** I am opposed to the conference report, Mr. Speaker.

**The SPEAKER.** The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KEARNS moves to recommit the conference report on the bill, H.R. 8900, to the committee of conference with instructions to the managers on the part of the House to insist upon the House position by striking title II of the amendment to H.R. 8900 as reported in the conference report.

The previous question was ordered.

**The SPEAKER.** The question is on the motion to recommit.

**Mr. KEARNS.** Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 214, nays 186, not voting 35, as follows:

[Roll No. 239]

## YEAS—214

Abritt  
Abernethy  
Adair  
Alexander  
Alford  
Alger  
Andersen,  
Minn.  
Anderson, Ill.  
Andrews  
Arends  
Ashbrook  
Ashmore  
Auchincloss  
Avery  
Baker  
Baring  
Barry  
Bates  
Battin  
Becker  
Beckworth  
Beermann  
Belcher  
Bell  
Bennett, Fla.  
Berry  
Betts  
Bolton  
Bow  
Boykin  
Bray  
Bromwell  
Brooks, Tex.  
Broomfield  
Brown  
Brookhill  
Bruce  
Burleson  
Byrnes, Wis.  
Cannon  
Casey  
Cederberg  
Chamberlain  
Chenoweth  
Chiperfield  
Church  
Clancy  
Collier  
Colmer  
Cramer  
Cunningham  
Curtis, Mo.  
Dague  
Davis, John W.  
Davis, Tenn.  
Derounian  
Derwinski  
Devine  
Dole  
Dominick  
Dorn  
Dowdy  
Downing  
Durno  
Elliott  
Ellsworth  
Evins  
Fascell  
Fenton  
Findley  
Fisher  
Flynt

Ford  
Forrester  
Fountain  
Frazier  
Frelinghuysen  
Garland  
Garrison  
Gathings  
Gavin  
Goodling  
Grant  
Griffin  
Gross  
Gubser  
Hagan, Ga.  
Haley  
Hall  
Halleck  
Harding  
Hardy  
Harris  
Harrison, Va.  
Harrison, Wyo.  
Harsha  
Harvey, Ind.  
Harvey, Mich.  
Henderson  
Herlong  
Hlestand  
Hooven  
Hoffman, Ill.  
Horan  
Hosmer  
Huddleston  
Jarman  
Jensen  
Johansen  
Jonas  
Jones, Ala.  
Jones, Mo.  
Kearns  
Keith  
Kilburn  
Kilgore  
King, N.Y.  
Kitchin  
Knox  
Kornegay  
Kyl  
Lalrd  
Langen  
Latta  
Lennon  
Lipscomb  
McCulloch  
McIntire  
McMillan  
McVey  
MacGregor  
Mahon  
Mailliard  
Martin, Nebr.  
Mason  
Matthews  
May  
Meader  
Michel  
Miller, N.Y.  
Mills  
Mlnshall  
Moorehead,  
Ohio

Morris  
Mosher  
Murray  
Nelsen  
Norblad  
Nygaard  
Gary  
Ostertag  
Passman  
Pelly  
Pfost  
Pirnic  
Poage  
Poff  
Purcell  
Ralns  
Ray  
Reece  
Rhodes, Ariz.  
Rielman  
Rivers, S.C.  
Roberts, Ala.  
Roberts, Tex.  
Robison  
Rogers, Fla.  
Rogers, Tex.  
Roudebusch  
Rousselot  
Rutherford  
St. George  
Schadeberg  
Schenck  
Scherer  
Schwengel  
Scott  
Selden  
Short  
Shriver  
Siler  
Smith, Callf.  
Smith, Va.  
Springer  
Steed  
Stephens  
Taber  
Taylor  
Teague, Calif.  
Teague, Tex.  
Thomson, Wis.  
Thornberry  
Tollefson  
Trimble  
Tuck  
Udall, Morris K.  
Utt  
Van Pelt  
Waggonner  
Walter  
Weaver  
Westland  
Wharton  
Whltener  
Whitten  
Wlickersham  
Wldnall  
Williams  
Wilson, Ind.  
Winstead  
Wright  
Young  
Younger

## NAYS—186

Addabbo  
Albert  
Anfuso  
Ashley  
Aspinall  
Balley  
Baldwin  
Barrett  
Bass, Tenn.  
Bennett, Mich.  
Blatnik  
Boggs  
Boland  
Bolling  
Bonner  
Brademas  
Brewster  
Burke, Ky.  
Burke, Mass.  
Byrne, Pa.  
Cahill  
Carey  
Celler  
Chelf  
Clark  
Coad  
Cochran  
Conte  
Cook

Cooley  
Corbett  
Corman  
Curtis, Mass.  
Daddario  
Danics  
Dawson  
Delaney  
Dent  
Denton  
Dlgs  
Dlingell  
Donohue  
Doyle  
Dulski  
Dwyer  
Elmonson  
Everett  
Fallon  
Farbstein  
Felghan  
Flood  
Fogarty  
Friedel  
Fulton  
Gallagher  
Garmatz  
Giaimo  
Gilbert

Gonzalez  
Goodll  
Gramahan  
Gray  
Green, Oreg.  
Green, Pa.  
Grlfiths  
Hagen, Calif.  
Halpern  
Hansen  
Hays  
Healey  
Hechler  
Hemphill  
Hollfield  
Holland  
Ichord, Mo.  
Inouye  
Jennings  
Joelson  
Johnson, Calif.  
Johnson, Md.  
Johnson, Wis.  
Karsten  
Karth  
Kastenmelcr  
Kelly  
Keogh  
King, Calif.

Kling, Utah  
Klrwan  
Kluczynskl  
Kowalski  
Kunkel  
Lane  
Lankford  
Lesinski  
Libonati  
Lindsay  
Loser  
McDowell  
McFall  
Macdonald  
Mack  
Madden  
Magnuson  
Marshall  
Mathias  
Merrow  
Miller, Clem  
Miller,  
George P.  
Milliken  
Moeller  
Monagan  
Montoya  
Moore  
Moorhead, Pa.  
Morgan  
Morrison  
Morse  
Moss  
Moulder

Multer  
Murphy  
Natcher  
Nedzi  
Nlx  
O'Brien, N.Y.  
O'Hara, Ill.  
O'Hara, Mich.  
O'Konski  
Olsen  
O'Neill  
Osmers  
Perkins  
Peterson  
Phillbin  
Price  
Pucinski  
Quie  
Randall  
Reuss  
Rhodes, Pa.  
Rodino  
Rooney  
Roosevelt  
Rosenthal  
Rostenkowski  
Roush  
Ryan, Mich.  
Ryan, N.Y.  
St. Germain  
Santangelo  
Saylor

Schncebell  
Schwelker  
Scranton  
Seely-Brown  
Shelley  
Sheppard  
Shipley  
Sibal  
Sisk  
Slack  
Smith, Iowa  
Smith, Miss.  
Spence  
Stafford  
Straggers  
Stratton  
Stubblefield  
Sullivan  
Thomas  
Thompson, N.J.  
Thompson, Tex.  
Toll  
Tupper  
Ultiman  
Vanik  
Van Zandt  
Wallhauser  
Watts  
Willis  
Yates  
Zablocki  
Zelenko

## NOT VOTING—35

Ayres  
Bass, N.H.  
Blitch  
Breeding  
Buckley  
Curtin  
Davis,  
James C.  
Dooley  
Finnegan  
Fino  
Hébert

Hoffman, Mich.  
Hull  
Judd  
Kee  
Landrum  
McDonough  
McSween  
Martin, Mass.  
Norrell  
O'Brien, Ill.  
Patman  
Pilcher

Pilllon  
Reifel  
Riley  
Rivers, Alaska  
Rogers, Colo.  
Saund  
Sikes  
Thompson, La.  
Vinson  
Weis  
Whalley  
Wilson, Calif.

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Judd for, with Mr. Martin of Massachusetts against.

Mr. Reifel for, with Mr. Buckley against.

Mr. Wilson of California for, with Mrs. Riley against.

Mr. Hébert for, with Mr. Finnegan against.

Mr. Pilcher for, with Mr. O'Brien of Illinois against.

Mr. Landrum for, with Mr. Thompson of Louisiana against.

Mr. Pilcher for, with Mr. Rivers of Alaska against.

Mrs. Blitch for, with Mr. Rogers of Colorado against.

Mrs. Weis for, with Mrs. Kee against.

Until further notice:

Mr. Breeding with Mr. McDonough.

Mr. Vinson with Mr. Bass of New Hampshire.

Mr. Sikes with Mr. Curtin of Pennsylvania.

Mrs. Norrell with Mr. Fino.

Mr. Hull with Mr. Dooley.

Mr. McSween with Mr. Hoffman of Michigan.

Messrs. MOELLER and BALDWIN changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

Mr. HALLECK. Mr. Speaker, I move that the vote just had on the motion to recommit be reconsidered and that that motion be laid on the table.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(Mr. MOELLER asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. MOELLER'S remarks will appear hereafter in the Appendix.]

## AN INVITATION TO MUSKOGEE

(Mr. EDMONDSON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. EDMONDSON. Mr. Speaker, I welcome this opportunity to extend an invitation to all Members of this body to come to Muskogee, Okla., next Saturday, September 22.

On that date, at 8:30 in the morning, the city of Muskogee will break ground for the first port in Oklahoma on the Arkansas River since we began multi-purpose development of the river two decades ago.

The Muskogee port, the first of a series scheduled to be built on this great new waterway when navigation once again becomes a reality, will open a rich agricultural, mineral and industrial area to the benefits of water transportation.

Senator ROBERT S. KERR, who has led the congressional fight for navigation of the Arkansas, will be principal speaker at the ground-breaking ceremonies.

Maj. Gen. William Cassidy of the Army Corps of Engineers will also participate, along with a host of State and regional leaders in the drive to develop the Arkansas River.

To all in this body who have helped to make this day possible, I want to extend the warm and heartfelt thanks of the people of Oklahoma. You have indeed in the words of the immortal Webster, helped to "develop the resources of our land" and to "call forth its powers."

I hope that some here today will find it possible to join us in a day of progress and rejoicing in Muskogee next Saturday.

## CORRECTION OF ROLLCALL

Mr. GALLAGHER. Mr. Speaker, I understand that I was not recorded as voting "nay" on rollcall No. 239. I ask unanimous consent that I be so recorded.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HAGEN of California. Mr. Speaker, on September 19, 1962, on rollcall No. 229, I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

## FOREIGN AID PROGRAM

(Mr. RYAN of New York asked and was given permission to extend his remarks at this point in the RECORD and include extraneous matter.)

Mr. RYAN of New York. Mr. Speaker, yesterday the Secretary of State issued a statement concerning the foreign aid appropriations bill which outlined in clear and forceful terms the vital importance of our foreign aid programs. The Secretary's statement indicates that

the drastic reductions in our foreign aid programs suggested by the Appropriations Committee would endanger our ability to preserve liberty throughout the world. As we debate this afternoon, I urge my colleagues to consider the statement of the Secretary which I quote in part:

**EXCERPT FROM STATEMENT BY THE SECRETARY OF STATE**

I am deeply concerned about the effects which the cuts now proposed in foreign assistance appropriations will have upon our foreign policy and our national security. We are engaged in every continent in a great struggle between the forces of freedom and those who would destroy freedom. The funds we are requesting are only .1 percent more than were actually appropriated for foreign assistance and the Alliance for Progress in the last fiscal year. The sum amounts to about 10 percent of our defense budget—but is a crucial part of our defense. The cuts now being considered—the heaviest ever made by an Appropriations Committee—will represent a significant reduction at a time when a million American men are outside the United States to defend freedom, and when crises such as Berlin and Cuba indicate that we face weeks and months of demanding effort.

It seems to me that we can well afford our investment in foreign assistance to win this struggle for freedom, without war if possible, and to support and reinforce our men in uniform who are standing guard in foreign places. \* \* \*

I strongly urge the House of Representatives not to cripple this bipartisan effort at a time when the cause of freedom requires so much of us.

**CORRECTION OF VOTE**

**Mr. DULSKI.** Mr. Speaker, on September 19, on rollcall No. 228, I am recorded as being absent. I was present and voted "yea." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

**The SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

(Mr. WICKERSHAM asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. WICKERSHAM'S remarks will appear hereafter in the Appendix.]

**FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963**

**Mr. PASSMAN.** Mr. Speaker, pursuant to the order of the House on September 12, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, and pending that motion I ask unanimous consent that general debate thereon be limited to 3 hours, one-half to be controlled by the gentleman from New York [Mr. TABER], and one-half by myself.

**The SPEAKER.** Is there objection to the request of the gentleman from Louisiana?

There was no objection.

**The SPEAKER.** The question is on the motion.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13175 with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

**The CHAIRMAN.** Under the unanimous-consent agreement, the gentleman from Louisiana [Mr. PASSMAN] will be recognized for 1½ hours, and the gentleman from New York [Mr. TABER], will be recognized for 1½ hours.

The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

**Mr. PASSMAN.** Mr. Chairman, we have cut in half the time we intended to use for general debate so that we may complete consideration of this bill today.

The foreign aid appropriation bill now presented for your consideration is the highest in amount of any money bill reported for this complicated, uncontrollable, and uncontrollable worldwide spending program in the 8 years that I have had the privilege of serving as chairman of the Subcommittee on Appropriations.

If I should not be honest with you and the American people on this occasion, I would be branded as a political opportunist and a favor seeker. I hope that I am neither one. This bill still provides funds far in excess of the amount needed to carry out an inflated and exaggerated foreign aid program, much less a reasonable one.

There are no facts whatsoever that would justify increasing the committee's recommendations, and I feel confident that no amendment will be offered to increase the bill, notwithstanding the unjustified claims from "downtown," accompanied by the unprecedented use of the 1600 Pennsylvania Avenue "seven point" formula. That formula is comprised of the application of Prestige, Personality, Propaganda, Persuasion, Power, Pressure, and, maybe, Punishment.

The statements made by the President and the Secretary of State every year when this bill is presented for consideration are what are known as stock items or standard-form statements; and, of course, their predecessors issued the same type of statements. But, each year, without exception, facts have proved their statements inaccurate.

Mr. Chairman, for years we have been giving away billions of dollars of America's wealth through foreign aid. The declared purposes have been to help assure our own security, to strengthen the other nations of the free world, and to keep other countries from going Communist.

The reasons given for foreign aid today are the same as they were 15 years ago. But, our expenditures of more than a hundred billion dollars all over the world since the end of World War II have not stopped, and are not stopping, the spread of communism. It would not appear that these expenditures are bringing security to the free world.

It is now conceded in many quarters that the foreign aid program could, in the end, result in more harm than good, in that we are doing for people things they could and should do for themselves. It is also conceded that we are arresting the initiative of many peoples throughout the world because we are paying their bills, making it unnecessary for them to devise plans and exert efforts to raise their own taxes, or to work out their own problems.

In fact, since the end of World War II we have carried this foreign aid program into 101 of the 113 nations of the world, including those who will receive aid this year. Furthermore, by special permission, we have started aid programs in practically every British possession and territory in the world.

The aid programs are not limited to so-called free nations. We are pouring the American taxpayers' wealth into dictatorships, so-called neutral nations, Communist-influenced and Communist-dominated nations, and into outright Communist countries. We have been giving our wealth and earnings for years to people who tax themselves not at all, or at least at far lower rates than we pay in order to make gifts to them. And many of these nations, which not only accept our gifts, but demand more, are no nearer now to self-support than when we started to pay their bills.

Mr. Chairman, the people of America are moving ahead of their Congress. Doubtless, 95 percent of them recognize that if this overexpanded, worldwide program is not brought under control, it will wreck our own economy and, at the same time, cause us to lose the respect and confidence of other leading nations of the world.

The Gallup poll, carried in the Washington Post for August 19, 1962, placed "too much foreign aid" as the second issue out of six that brought about a tremendous decline in the popularity of one of our highest elected public officials.

If I may be personal for a minute or two, let me say that some have seen fit to label me as being "shortsighted"—and worse—in my views concerning this program. But, I submit that it is not shortsighted to weigh the amount of foreign aid against the needs and our capabilities.

I would be completely unfair to our country, to the Members of Congress, to my constituency, and to my conscience, if I did not pinpoint and discuss at least some of the damaging and almost unbelievable abuses and unbusinesslike methods that are prevalent in the foreign aid program, no matter if they may be unintentional, and the pie-in-the-sky dreaming by many who conceive and administer the plans.

Mr. Chairman, believe me, I possess the facts. Nevertheless, I recognize that there are those who would like to see me out of the position of chairman of the Foreign Aid Appropriations Subcommittee. Therefore, I say to you, if the 9,000 pages of transcript and 3,200 pages of printed hearings of this year do not fortify me sufficiently to protect my position,

then you will no longer need to contend with me as chairman of the committee.

Now I want to make the following 11 statements:

First. The appropriations for foreign aid, including interest on the public debt for fiscal 1963 on the money that we have borrowed to give away, and backdoor financing will exceed \$12 billion this year.

Second. The foreign aid program is a major factor contributing to the continuing annual increase in our public debt.

Third. Foreign aid is primarily responsible for our annual budget deficits.

Fourth. Foreign aid is almost entirely responsible for our balance-of-payments deficit.

Fifth. Foreign aid is responsible to a very large extent for the flight of our disappearing gold reserves to other nations all over the world.

Sixth. The cost of foreign aid is the major reason for our ever-increasing noncompetitive position in world markets.

Seventh. Foreign aid is rapidly depleting our wealth and resources.

Eighth. The claim to the effect that 80 percent of our foreign aid money is spent in America and thereby creates prosperity is a myth, and a calculated misrepresentation intended to keep the American people supporting the program. Foreign aid contracts are now carefully shuffled out to manufacturers, schools, colleges, universities, workshops and consultants in the 50 States of the Union, so as to attract support and cause it to appear that this giveaway of our wealth is making our Nation prosperous.

Ninth. The foreign aid program as presently operated is uncontrolled and uncontrollable.

Tenth. Many of the nations which are recipients of our aid are rapidly losing faith in America's ability to manage its economic and monetary systems.

Eleventh. We are, in this bill, setting up the machinery by which to borrow money from former and present aid-recipient nations in order to indirectly finance the aid program for this year if other means fail.

Mr. Chairman, we are in agreement that a "budget deficit every year, in good times and bad, is not a policy; it is a failure of policy. It is not a strategy; it is a simple case of fiscal inadequacy."

Here in the United States, our Government is consuming more taxes than at the most expensive period of World War II. Yet, even so, our Government cannot pay its bills, and cannot borrow enough to do so without increasing the public debt almost every year.

But, of course, "nothing is easier than the expenditure of public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody."

Last year this country set an alltime high, peace and war alike, for Government spending. Many believed that we had established in the last fiscal year a spending record that would stand for many years as the highest. What are the facts? For the first 2 months of this fiscal year, July and August, we

withdrew from the U.S. Treasury approximately \$2 billion more to operate the Government and its programs than we did during the corresponding period last year, and for the first 2 months of this year we spent almost \$5 billion more than the revenues accruing to the U.S. Treasury.

I shall proceed, Mr. Chairman, to discussion of the foreign aid program and the money bill for fiscal 1963. Before doing so, though, I want to note that if Mr. CANNON were to bring to the House the type of bill for public works appropriations in America that we are considering for foreign aid funds, he would be ridiculed. Justly so, too, I might add, if he did not know in what States or for what projects the money would be spent; if he did not know whether or not the money would go, maybe, for direct budgetary support, or for yachts or race-tracks. That observation, though it is a farfetched one with reference to projects and programs in America, is not at all inappropriate with relation to the foreign aid program—through which we are now appropriating funds to country plans, and not to projects. Agency witnesses told our subcommittee that they do not know the projects to which they are going to obligate funds until after they get the money. One witness said, in fact, that the United States kept these matters secret from the recipient countries until after the money had been made available. This is fantastic, of course, but it is true.

Another point that should be noted is that the military phase of the foreign aid program is not military in the sense that we think of our own Defense Establishment. What it is, primarily, is a State Department military program, through which military equipment is being provided to from 65 to 71 nations of the world; and much of it—yes, very much of it—is given to please or appease some potentate, or some ruler of a newly created country. This has been done to such an extent that many nations are now resentful—one of the most-recent instances of this, which is still of a serious nature, being Thailand's protest against our supplying fighter planes to Cambodia.

Mr. Chairman, this is a serious matter. I shall not be personal, but I shall be factual.

So, I say that my criticism of this program could be very well supported by statements made by former Congressman Kennedy, of Massachusetts. May I read from remarks made by the former Congressman when he was a Member of this body, and I do not do so in a discourteous vein:

On August 17, 1951, page 10265 of the CONGRESSIONAL RECORD:

Mr. KENNEDY. I do not think that we can afford in this country to raise the standard of living of all the people all over the globe who might be subject to the lure of communism because of a low standard of living.

Continuing:

Mr. KENNEDY. I say it is impossible for us to think of raising the standard of living of all the low-standard countries of the world. I believe the funds provided in section 203 can well be cut by the amount in my amendment.

I am sure that the gentleman was sincere. We shared a common philosophy back in those days, but he has moved on to a higher position while I am still here fighting some of the battle that he then fought. However, I am fortified in my position by the stand that the former Congressman took when he stood in the well of the House, where I now stand.

Mr. BRUCE. Mr. Chairman, I believe the chairman of the committee is making one of the most important speeches that will be made in this Congress; because of the small number of Members on the floor, reluctantly I make the point of order that a quorum is not present.

The CHAIRMAN (Mr. WILLIS). The Chair will count. [After counting.] One-hundred and seventeen Members are present, a quorum.

Mr. PASSMAN. The bill carries an appropriation of \$5,956,852,000, in addition to the limitation of \$1,298 million for the Export-Import Bank, for a total in the bill of \$7,254,852,000. The recommended amount is \$1,378,177,000 below the formal budget estimates considered by the committee and \$1,171,677,000 below the authorized amounts considered.

The foreign aid program as presented to the Congress by the President is scattered throughout the budget. The bill attempts to put together all the various readily identifiable sections. In addition to this bill, other segments of the foreign aid program are the use of Public Law 480 commodities, and the use of local currencies generated by the sale of Public Law 480 commodities. An indeterminate but not inconsequential element of the program is the cost to borrow money which is so freely given away. This facet of the program is reflected in the annual appropriation to pay the interest on the public debt.

The balance-of-payments problem and the "outflow of gold" has been a matter of grave concern to the committee.

From time immemorial gold has been the ultimate in financial security to all tongues and to all civilizations. Most sound monetary systems of the past have been based on gold reserves, and as a nation's gold reserves diminished, its currency became increasingly valueless, and as a result the nation lost its importance in world commerce, or as a world power.

Various witnesses before the committee have testified that all nations, both old and new, earn dollars or other convertible currency from their exports. They further testified, after lengthy interrogation, when nations are credited with foreign aid dollars against which they can place their orders for goods and services, the invoices for these goods and services are then sent to the U.S. Treasury for payment from revenues collected from the taxpayers of the United States, rather than to the government which received the shipment.

Stated another way in normal commercial practice, when the United States sells a nation goods or services the United States receives something in return, dollars, gold, or goods and services.

Under the foreign aid program it is a one-way street. The goods or services go out, the U.S. Treasury pays the bill, and the United States receives nothing of a tangible nature in return. A program such as this can only be a drain on either an individual's or a nation's resources. This statement is borne out by the "outflow of gold" from the United States during the past 10 years.

One of the myths presented to the American taxpayer in justification of the foreign aid program is the statement that 80 percent of the dollars appropriated for the program are spent in the United States.

Testimony presented to the committee finally resolved into the fact that 100 percent of the dollars appropriated for the foreign aid program ultimately will have an effect on the U.S. economy in one of the following three ways:

First. For the payment for goods and services shipped free of charge to foreign countries.

Second. For the purchase of U.S. gold by foreign nations as a result of the free dollars that we have credited to them.

Third. For speculation.

If 80 percent of the foreign-aid dollar is spent in the United States and this expenditure is beneficial to our economy—and one disregards the fact that the expenditure is paid by the U.S. Treasury—or the taxpayer—and not by the recipient nations—would there be more prosperity in the United States if expenditures for the program were doubled or tripled? The answer is that our resources would soon be depleted and when this happened our false prosperity would come to an abrupt end and we would be a bankrupt nation.

It has been stated that the foreign aid program provides employment for approximately 600,000 individuals. Most likely everyone would be enthusiastic supporters of the program if the wages and salaries of these 600,000 individuals were paid by the foreign governments who received the results of their labors, but the fact is their salaries and wages are paid by checks drawn on the U.S. Treasury.

As Congressmen, we should resent the inference that we are getting prosperity by giving our wealth away.

Why these people should attempt to mislead the American people and tell them that this program has created wealth in the United States and brought prosperity to our country I cannot understand.

**Mr. CHELF.** Mr. Chairman, I make the point of order that a quorum is not present. The gentleman from Louisiana [Mr. PASSMAN], is making a magnificent speech, and I think we ought to have more people on the floor when we are considering a \$4 billion bill.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and fifteen Members are present, a quorum.

The gentleman from Louisiana is recognized.

**Mr. PASSMAN.** Mr. Chairman, last year the Congress included in the 1962 Foreign Assistance Appropriation Act a portion of the statement of President Kennedy when he signed the 1961 au-

thorization act. The President's statement was incorporated in the appropriation act as follows:

SEC. 112. It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those nations which share the view of the United States on the world crises.

During the hearings this year the subcommittee inquired into the administration of the above-quoted section of law which appeared to be the policy of the United States in September 1961, to see what effect it had on programs proposed for fiscal 1963 for nations who participated in the Belgrade Conference.

The Conference was a meeting of the so-called neutral nations, all of whom, except Cuba, received grant aid from the United States in fiscal 1962. Final documents of the Conference were critical of the United States and its allies; while Russia received no criticism. To the subcommittee's surprise, the proposed 1963 program—military and economic aid—is \$813,500,000, an increase of \$142,500,000 about the 1962 program. The committee cannot reconcile the substantial increase of the 1963 program over the 1962 program with last year's statement of the executive branch.

It has been the experience of the subcommittee in charge of this bill that each year when it has reported the bill to the committee and to the House it has been charged with wrecking or seriously jeopardizing the program by not recommending all of the funds requested by the executive branch.

Testimony in each subsequent year indicated that the reductions were not harmful, as the proponents of the program had charged, but, in fact, were helpful.

Last year at the same time the subcommittee was reporting the 1962 bill, which included \$3,357,500,000 for the Mutual Security program, to the committee, Secretary Rusk and Secretary McNamara delivered a letter to Chairman Cannon which stated in part:

In summary, it is our belief that the cuts proposed by the subcommittee would greatly increase existing risks to the political and military position of the free world in the face of the Sino-Soviet threat, and thus clearly and directly to the vital national interests of the United States. The House and Senate have just worked out authorizations that represent in the aggregate an 11-percent reduction from administration requests. A workable program can still be mounted with these amounts. It cannot be done with the cuts proposed by the subcommittee.

Subsequent action by the House and Senate increased the recommended appropriations to \$4.2 billion. An appropriation of \$3.9 billion was finally approved in the closing hours of the 1st session of this Congress. However, the executive branch was only able to spend \$3,198,100,000 during the year. In other words, the Congress appropriated \$716,500,000 more than the executive branch spent in fiscal 1962, and they transferred it over to the pipeline.

I say that this is by far the largest bill that this subcommittee has ever brought to the floor of the House for your consideration.

If you include all of the conference

reports in the past, after they came back to the House, for all the years of this program, the annual appropriations for this bill average \$3,341,932,000. The expenditures now are running at \$3,200 million a year. They have increased the pipeline to the point that they have a 2-year supply of money at this time.

Testimony this year, as in prior years, has indicated that numerous projects have been started all over the world without ever having been justified to the Congress. One of the primary reasons for this practice has been the authority—section 101 of the 1962 appropriation act, for example—of the agency to deobligate the funds which had been obligated in a prior fiscal year and reobligate them in a subsequent fiscal year for new projects and programs. As far as the committee can determine millions of dollars have been reobligated for projects and programs that were never justified in any manner whatsoever to the Congress.

Now, development grants: For this program the committee recommends an appropriation of \$225 million, a reduction of \$75 million below the authorization.

Misleading information as to the actual programs and the funds necessary to carry them out is always presented to the committee.

**Mr. CHELF.** Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN (Mr. MILLS). The Chair will count. [After counting] One hundred and three Members are present, a quorum.

**Mr. PASSMAN.** Mr. Chairman, the hour is getting late. Many Members, no doubt, have appointments, so I am going to limit my discussion to the briefest possible summary.

The topic of American hospitals abroad needs a little explanation. This hospital in Poland has already been started. We purchased local currencies for that purpose and are using only Polish currencies for the project.

Investment grants, \$180 million.

**Mr. ROONEY.** Mr. Chairman, will the gentleman yield?

**Mr. PASSMAN.** I yield to the gentleman from New York.

**Mr. ROONEY.** The gentleman might explain to the committee that the Polish hospital is an American Children's Hospital over there.

**Mr. PASSMAN.** Yes, it is an American Children's Hospital. This is a hospital that has already started, and we are utilizing Polish currency to complete it.

They have asked for \$180 million for investment guarantees. We will never understand why they made such a request. Legislation is on the books now calling for \$199 million to meet any claims that may be filed. In 14 years of experience with investment guarantee accounts there have only been two claims filed, one for \$1,732 involving a mixup in currencies, and to make good, in the other case, a loss of profits on a ship bid out in the Far East. They have \$199 million, and in addition to that amount some \$9 million collected in fees. So, without appropriating any additional

money, they have money on hand to carry on for 411 years, provided the future is similar to the past. The committee, however, recommends the appropriation of \$30 million.

Our word is still good. We do not have to pyramid hundreds of millions of dollars to take care of claims that may never be filed.

Mr. Chairman, for International Organizations and Programs the request was \$148,900,000, and the committee recommends that amount.

For Supporting Assistance, the authorization was \$415 million. The committee recommends a reduction of \$65 million.

Now, Mr. Chairman, moving to the President's Contingency Fund: The appropriation last year was \$275 million. Up until this June they had obligated only \$87 million, almost one-third of the fund.

This year we recommend a reduction from the authorization by \$75 million.

Next, Mr. Chairman, we come to the Alliance for Progress program. I am for the Alliance for Progress program if we can make it work, and I hope that it will work. The committee recommends the appropriation of \$525 million.

Now, the Development Loan category: This, too, is scattered all over the field. It is called a loan, but that is fictitious. For example, they make country X a loan of \$300 million. It is a credit for 40 years, with no interest—only three-fourths of 1 percent service charge. They wait 10 years before they start paying anything and then they start paying at the rate of 1 percent a year, and if anything should ever come back in on these credits it goes back into the foreign aid program. The appropriation recommendation is for \$775 million.

The military assistance program: The appropriation recommended for the program, which is discussed in some detail in the report accompanying the bill, and which will be printed in the RECORD, is in the amount of \$1.3 billion.

The Peace Corps: The recommended appropriation is in the amount of \$52 million.

This is the fastest growing agency in the Government. There has never been an agency that has grown as fast as the Peace Corps.

Mr. Chairman, may I repeat: As our time is limited, and as I am going to conclude my remarks by submitting the report to be printed in the RECORD, I shall not go into detail or even a summary of the other categories of the program.

I hope the Members support the committee's bill.

I want to thank my colleagues on the subcommittee and the full Committee on Appropriations. I express particular thanks to the gentleman from Virginia, J. VAUGHN GARY, and the gentleman from North Carolina, HUGH Q. ALEXANDER, for their special cooperation and counsel and support.

I shall now extend my remarks in the RECORD, to be followed by the report accompanying the bill.

Mr. Chairman, in reviewing my remarks concerning reasons and justifica-

tions for the recommended cuts in appropriations for foreign aid during fiscal year 1963, let me say again that the time has come for us to take a realistic look at the total drain such continuing expenditures are causing to our own economy. Our national bankbook shows a red balance—a balance which no prudent nation should countenance.

The recommended cut in foreign aid will at least cut our international deficit in the balance of payments to that extent. I am confident that the membership of this House will support our committee in that laudable objective, especially if we can prove that the foreign aid expenditures are excessive and are not achieving the desired results envisioned when we began the program in 1946.

Let me say that if anybody thinks it is fun to sit for 72 days holding hearings on the most important facets of our aid program then he should apply for membership on our subcommittee. The process of eliciting facts on expenditures, projects, plans, procedures, regional and individual totals, reasons, waste, mismanagement, and so forth, and so forth, has been a most laborious one. In many instances we have literally had to drag the facts from AID and State Department officials.

A national news magazine has called me "OTTO the Terrible." It said AID officials quake when they have to appear before us to justify their requests. I submit to this House that no executive agency representative has to quake when appearing before any appropriations committee if his department's requests are reasonable and can be justified.

Mr. Chairman, foremost among my personal reasons for an aid cut is the fact that the drain on our gold reserves is excessive. We simply cannot afford to lose the amount of gold that is being siphoned away from our gold stock, in many instances by the very nations who are receiving our aid. During the last 11 years the net outflow of gold from the U.S. Treasury has amounted to over \$6,305 million. Our gold holdings are currently just above \$16 billion. During the same 11 years in which we lost gold, other free world countries increased their holdings by \$10,655 million, to just under \$24 billion. In addition to this gold increase our free world friends increased their short-term dollar assets to just under \$23 billion.

We require \$11.6 billion as gold backing for our domestic dollars by law. We have therefore scarcely \$5 billion in gold to meet our international obligations. Should there be a sudden call for gold, as could reasonably happen, we would not be able to meet the call. I submit that too many nations who are receiving aid in one form or another from us are also buying gold with dollars from us.

As a businessman and legislator, I am vitally concerned about our Federal budget deficits which are skyrocketing our national debt.

In the 12 fiscal years under President Roosevelt our budget receipts amounted to \$160.9 billion, expenditures including World War II were \$373.9 billion, leaving us with a deficit of \$213 billion.

In the 8 years of the administration of President Truman our budget receipts were \$368.2 billion and the expenditures, including the Korean war, amounted to \$394.6 billion, leaving us with a deficit of \$26.4 billion.

In the 8 years of the administration of President Eisenhower our Federal Government took in \$554.9 billion, spent \$576.9 billion, leaving us with a deficit of \$21.9 billion.

You also know that we had a whopping deficit for fiscal year ending June 30, 1962. I submit that our foreign aid expenditures have accounted for a large portion of these deficits since 1946.

A cut in our aid appropriations will at least cut our forthcoming deficit to that extent.

Mr. Chairman, according to my latest calculations, based on data supplied by the relevant Executive agencies, my estimate of unexpended aid funds from prior years' appropriations amounts to \$7,001,353,000.

During the last 3 fiscal years, actual expenditures, under our mutual security programs, have averaged around \$3.2 billion. I have said it before, and I say it now again, that even if we were not to vote any actual appropriation at this time, the foreign aid program could continue at its present annual volume for the next 25 months before coming to a halt. But we are not set to behead the program, nor to cripple it at all.

I pride myself that each year I have given my colleagues nothing but facts on which to base their decisions. The facts, as shown in the hearings and the report accompanying the appropriation bill, once again prove that the requests are excessive.

Mr. Chairman, several of my colleagues have mentioned to me that the AID has sent them a personal notification of the amount of aid money spent in their districts for the procurement of aid materials. What irritates them intensely is the accompanying statement that about 80 percent of foreign aid appropriations are being spent in the United States. If this is the case, why tell a Congressman that, for example, \$7,000 of aid money was spent in his district when on a per capita basis of tax revenue going for oversea aid, his district has contributed over \$2,300,000?

We are being told frequently how our overseas procurement in this country provides jobs for some 700,000 employees. This statement begs the question. It forgets to state that the salaries of all these workmen came from the U.S. Treasury or from the taxes paid by our citizens. For all intents and purposes, does AID want to imply that we must give assistance to other countries so as to provide for prosperity at home?

After much probing we have at last elicited the fact that during fiscal year 1963 we shall be giving or have given aid to 101 foreign nations. This is most of the free world, and some Communist and Communist-oriented nations are included.

I am concerned also with the large sums programmed for so-called neutralist, or nonaligned, nations. I think of the

immense sums already committed and set aside for India, Indonesia and Ghana. Should we not expect that these countries would at least support us on major issues before the United Nations? Yet, preponderantly their votes have been against our proposals.

One ominous new departure from past procedures was evident in the actions of recipient governments. The hearings developed that increasingly foreign countries expect aid from us, but are most unwilling to allow us to assist in the planning for the uses of such aid, do not wish economic surveys to be made, and finally state categorically that if they are not allowed an absolutely free hand in deciding where to spend our aid, they will turn elsewhere. But in the light of the actual facts, I wonder just where they will turn. Russia has not given away so much as a ruble. And, we know how difficult it has been for the chief officials of our AID to get even minimal aid commitments from industrialized Western European nations and Japan. They expect us to do the giving and I am getting convinced that we are simple minded enough to continue doing so—this in spite of the fact that many of the largest recipient nations show scarcely any signs of gratefulness for the aid received from us.

Mr. Chairman, the longer I stay on as chairman of the Subcommittee on Foreign Operations Appropriations, the more convinced I am becoming that we are being widely oversold as to the prospective results to be obtained from our generous intervention. We give food, fuel, fertilizer, seeds, clothing, raw materials, machinery, development grants and loans, technical services, military hardware, and now even the Peace Corps. Are all these things actually bringing old and the newly emerging nations into our camp to offset the encroachments of communism? I think it is obvious that they are not. Or, do many of them accept our aid on the one hand and then look in the other direction to see what Russia can do for them? Our subcommittee is understandably rather ill-convinced as we note the general ineffectiveness, the lack of appreciation, the overplanning, the projects that are out of control, and the programs getting more expensive year after year. My colleagues will remember how last year we were told that a complete re-examination of the mutual security program would result in a more effective program. We have seen the reshuffling of the so-called talents in the oversea missions, the new braintrusters brought in as planners, but I can assure you that it is still the same old program to which you are being asked to extend for another year.

One of the things that concerned our subcommittee was the large number of unfinished projects that were simply being dropped during fiscal year 1962 without any tangible results. What puzzled us was the fact that the projects were being discontinued, that the contracts were being carried out to no avail now, and yet we were being asked for ad-

ditional funds to wind up the discontinued projects. Attempts at the recouping of money for the uncompleted contracts or for goods and machinery were practically nil. Why were these projects begun in the first place? Will the same type of planning obtain for the so-called vital projects to be begun during fiscal year 1963? A total of 792 projects are planned for the development grant sector and 382 from the Alliance for Progress funds. How many of these 1,184 projects to be initiated during fiscal 1963, and for which we are being impeded for funds today, will land on the scrap heap in the near future?

Mr. Chairman, of all the stupid waste of money that we have heard of and investigated during the years, I think we have unearthed the utmost in impractical projects of the never-never land. It is the so-called solar boat or a boat run by a sunlight-powered generator. This was intended for Surinam in South America. Another was a contract for a thousand transistor television sets at a negotiated price. Later we found that if open bids had been asked for, the price could have been cut to less than half. This project has also been dropped.

Another completed project which we want to denounce is the donation of a newly rebuilt air-conditioned yacht for the private use of Emperor Haile Selassi of Ethiopia. But we were told that it would be used also as the flagship of the Ethiopian Navy and for patrolling the 800-mile coastline. The staterooms had gold-leaf wallpaper. The reconditioning of the airplane tender cost \$3,100,000. Why this splendor? A large number of the ships in our own Navy do not have air conditioning. The crowning insult was that American taxpayers' money was being used to train 100 Norwegian engineers, officers and seamen, so that they in turn could train Ethiopian crews. This type of foreign aid bungling must be eliminated.

Mr. Chairman, our subcommittee was also very interested during the hearings in investigating just how funds were being obligated for projects and programs not previously justified to our committee.

There is a rather apparent looseness in the transfer of funds from project to project, from program to program, and from category to category. If a program cannot be slipped in under development grants, then under so-called loans; if not there, then under supporting assistance, and if not there then under funds taken from the President's contingency fund. If the higher-ups want a project or if a little country wants a pet program, a place can usually be found for it. What worries me is how many of these projects are destined to be discarded and how many are asked for by other recipients if they see the first one succeed. I am still wondering just how many other little nations are going to ask for a pleasure yacht when they hear of the Ethiopian flagship.

As a corollary to this loose planning we are concerned about the loose esti-

mates with which we are confronted for large development projects. One should contrast the loose AID end-use justifications and estimates with the utmost precision with which a survey is initiated for some project in this country. After the survey comes the feasibility study, then the review by various boards, and other review by the Bureau of the Budget, then the construction authorization, then the request for funds for advanced planning, then the funds for the construction, then the actual inspection and finally the renegotiation board. Surely if we can be so strict with the taxpayer's money here at home we should be doubly strict overseas where our prestige is at stake. I submit that intelligent and substantial pruning will do good all around; not only for the American taxpayer, but also for AID officials, for us here in Congress, and for the people overseas. Such an approach may help foreign countries to get out of the philosophy concerning gifts: "A kiss on the hand is good, but a diamond bracelet lasts forever." We will not develop good will by merely giving.

Mr. Chairman, the time has come for us to show a new determination to take quite a few nations off the dole. After 15 or so years of aid from us they are beginning to act like it is their due. In many instances our aid has gone into balancing their budgets, paying for past debts, and making up trade deficits. We have to exercise stern restraints here. Even so, if Uncle Sam foots the bill we should demand certain obvious reforms. Such as land reforms and fiscal responsibility in Latin America and South Asia. Aid should be conditional upon proved reforms.

Naturally there is reluctance to institute reforms if the entrenched classes benefit mostly from our aid. This is even true of our military aid such as in Korea where the military establishment has grown with a weedy luxuriance. In such instances the aid should be cut drastically.

Mr. Chairman, we must make a realistic cut in the amounts now devoted to our inflated programs. In essence, I think it is not prudent for this Nation to create payments deficits through wasteful and ineffective aid to other nations. That is why I advocate a cut in so many categories of the foreign aid bill. So, I repeat, if this program is not brought under control, it will cripple us and seriously weaken our economy—while we are losing the respect of the other nations of the free world.

Mr. GROSS. Mr. Chairman, will the gentleman yield at that point?

Mr. PASSMAN. Yes, sir.

Mr. GROSS. So that we may keep the record of the Kennedy family straight, I would like to quote from a speech made by the Honorable Joseph P. Kennedy, father of the President, on December 12, 1950. He said at that time:

For years, I have argued the necessity for not burdening ourselves with unnecessary debts. There is no surer way to destroy the

basis of American enterprise than to destroy the initiative of the men who make it. We will, of course, continue to have to pay and to pay heavily for our defense. But what have we now in hand for the billions that we have spent abroad?

Remember, this is 1950.

We can no longer afford this luxury; we dare not afford its consequences to our own security.

Continuing, the Honorable Joseph P. Kennedy said this:

Those who recall 1932 know too easily the dangers that can arise from within, when our own economic system fails to function. If we weaken it with lavish spending either on foreign nations or in foreign wars, we run the danger of precipitating another 1932 and of destroying the very system which we are trying to save.

Mr. PASSMAN. Mr. Chairman, if the gentleman will permit, the gentleman to whom he refers never served in the Congress. I was talking about a very wonderful American who served as a Member of this body. I think we should proceed with discussion of the program and the bill. I do not mean to be discourteous to my friend, the gentleman from Iowa.

Mr. MEADER. Mr. Chairman, will the gentleman yield to me?

Mr. PASSMAN. I yield to the gentleman.

Mr. MEADER. With respect to the remarks the gentleman made about the amendment to cut the bill, can the gentleman tell us a little more about the amendment offered by our former colleague and whether or not he was successful in reducing the bill, and whether or not anyone who has in charge of the bill called him irresponsible for offering it?

Mr. PASSMAN. Mr. Chairman, I am not going to indulge in any personalities or to lambaste our President. I wanted to indicate that we shared a common philosophy then, and I am still here trying to carry out those purposes that were advocated by my former colleague. Beyond that, I am not going to comment further.

Mr. Chairman, I yield to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Chairman, I would like to say to my friend that I have listened to his presentation on this important issue, and it is as brilliant a presentation as any that I have heard. I know all of us who have listened so attentively to what he has had to say would be derelict in our duty if we did not express to him our gratitude and the gratitude of our country for his unselfish service.

Mr. Chairman, the time has arrived again for the Congress to consider an appropriation for the foreign aid program. With the regularity of the seasons foreign aid bills come to the floor of the House of Representatives. The appropriation measure we have under consideration today is but one of a long line of annual appropriation bills for foreign aid which have cost the American taxpayer over \$90 billion since 1946 and in excess of \$130 billion since 1940.

Foreign aid spending has come to be an accepted part of the fiscal policy of the United States by many people in the Congress and in the executive departments. The security and economic well-being of the United States, in the minds of many people, has become erroneously involved with foreign aid spending.

Mr. Chairman, I am one of those who cannot believe that foreign aid spending is the solution to the problems in our struggle with communism. As a result, I have not voted for the annual appropriation bills for foreign aid expenditures. I shall not vote for the bill we have under consideration today to provide \$3,630,400,000 to keep the foreign aid merry-go-round in operation.

Although I am opposed to the expenditure of tremendous sums for oversea aid, I am not one of those who believe that all of our oversea spending has been in vain. The lend-lease program during World War II was successful in promoting the military objectives of the United States.

The Marshall plan, enacted by the Congress in 1948 to assist the countries of Europe in their economic recovery, was a great success. Not only was the European economy given new life, but the spread of communism in several war-ravaged nations was halted.

When the Marshall plan was under consideration in the Congress there were those who predicted that foreign aid spending would eventually become a fixed policy on the part of our Government. Although they were ridiculed at the time they have since proven to be prophets.

Mr. Chairman, since 1946 the American taxpayers' dollars have been spent in every part of the world on nearly every conceivable type of project. Foreign aid funds have been spent without any regard to the political views of the recipient nation. Money has been appropriated for Communist dictatorships, for neutral apologists for the Soviet Union, and for proven allies. It has not been considered proper for its proponents to expect the countries which have been the recipients of our taxpayers' generosity to support the United States in its political, military, and economic objectives.

In fact, excuses have been made for those who have accepted our dollars and supported the Communists. The foreign aid program has been characterized by a humanitarian and idealistic desire to improve the standard of living of nearly every nation in the world. As a by-product of this policy we have hoped that these people would come to accept our system of government and our concept of the dignity of mankind.

As might be expected by any reasonable person, our dollars have been accepted, but our humanitarian ideals and political concepts have been, for the most part, rejected. In practice our foreign-aid dollars have alienated many of our friends abroad, rewarded neutralism, and disrupted the economies of many countries. At the same time the billions of dollars spent each year have increased our enormous national debt, under-

mined our international balance-of-payment position, and encouraged oversea competition for our domestic industries.

While the United States has pursued a policy of economic aid without any strings attached, the Soviet Union, on the other hand, has inaugurated a foreign-aid program based on a coldblooded plan to further Communist expansion. Unless a recipient nation of Soviet aid allies itself with Russia or follows a neutralist course with Soviet overtones, Soviet aid is terminated forthwith. Under such a policy Communist aid has been extended to nations such as Ghana, Egypt, and Cuba. All three nations consistently support the Soviet position.

Mr. Chairman, the United States has given \$2,279 million to Yugoslavia and over \$514 million to Poland since 1946. No one would contend that these are not Communist nations, and that each is oriented to the Soviets rather than to the United States.

During the same period our taxpayers have given Indonesia over \$598 million and India over \$3,115 million. These two so-called neutral nations are actively within the Soviet camp in the United Nations and in their attitudes.

Likewise, the United States has extended over \$26 million in economic aid to the African Republic of Ghana, whose President has set up a tight little dictatorship and whose Parliament just recently considered legislation to elect him President for life.

We have given Egypt and its former partner in the United Arab Republic, Syria, over \$384 million since 1946. Egypt is accepting Soviet aid and is not supporting the United States in its struggle with communism.

These are just a few of the inconsistencies in our foreign-aid policy that has made it impossible for me to support foreign-aid appropriation bills.

There is another factor, however, which has caused me to refrain from supporting foreign-aid appropriation bills. The administration of assistance programs overseas has resulted in a tremendous waste of the taxpayers' dollars and has been a prime example of bureaucratic inefficiency.

In 1961 it took 12,856 persons employed by the Federal Government to operate the foreign-aid program; 6,478 of them were Americans, of whom 4,466 were in oversea positions. In addition, the services of 4,600 foreign nationals overseas and 1,778 persons employed by U.S. contractors were used. All of these were paid from American foreign-aid funds.

The House Committee on Government Operations has made many excellent investigations of our oversea spending operations. The startling facts the committee disclosed in those inquiries should convince anyone of the futility of entrusting billions of dollars each year to a worldwide foreign-aid bureaucracy.

The State Department has for some reason had an intense desire to construct highways with the taxpayers' dollars in many parts of the world. This predilection for highway construction has re-

sulted in waste, corruption, and a loss of prestige on the part of the United States.

For example, the aid people in 1956 began construction of a highway between the capital of Cambodia and a port on the Gulf of Siam. This 132-mile road originally carried a cost estimate of approximately \$15 million and was to be a demonstration of American know-how. It was completed in 1959 at a cost in excess of \$34 million. Immediately thereafter it began to fall apart. The project was bungled so badly that it has damaged our prestige in Cambodia, burdened the American taxpayer with costly repairs, and has furnished the Communists with an effective source of anti-American propaganda.

Speaking of this highway, the American Ambassador to Cambodia said in 1961:

I am seriously concerned about the deplorable condition of the Khmer-American Friendship Highway \* \* \* the condition of the highway may deal a severe blow to U.S. prestige and good faith. And such is likely to be the case if the Cambodian Government cannot be informed immediately that the United States will undertake to restore the highway to a first-class condition.

It is interesting to note that the construction company which had the contract for the Cambodian highway was awarded two additional highway contracts for projects in Afghanistan. One was a \$200,000 cost-plus-fixed-fee contract for highway equipment servicing and the other a \$3 million lump-sum contract for highway pavement. The \$200,000 contract was subsequently canceled.

In Peru a \$2 million road was planned to open isolated areas for agricultural development and colonization. According to the House Committee on Government Operations, the road, as finally constructed, ended in the middle of, to quote the committee, "nowhere." The committee stated that the road terminated "on the side of the mountain" at a point about half-way along the projected route.

Our economic aid dollars also went to construct a \$125,000 irrigation project in Peru which the Committee states "does not irrigate." The reason advanced for the failure of the project seems incredible—there is not enough water available to make use of the project.

Mr. Chairman, there is another factor involved in foreign aid which has been of great concern to me. In several instances the Soviet Union has actually made use of American funds to further the Soviet foreign aid program. In a report issued by the House Committee on Government Operations on June 25, 1962, the committee states that U.S. foreign aid has been commingled with Sino-Soviet aid both with and without the knowledge of U.S. aid officials.

As an example, the Russians began construction in 1958 on a 500-bed hospital in Cambodia designed to be a show-piece of Russian foreign aid. It subsequently came to light that U.S. foreign aid was used in the construction of this hospital.

The transformer and cable for the powerplant to operate the hospital were

paid for with American dollars. In addition, an investigation disclosed that cement and other construction materials purchased by the United States were used in the construction of the hospital, which the people of Cambodia believed to be a gift of the Soviet Union.

In another instance in Cambodia our American funds were used to construct two radio studios which, when completed, became an adjunct to a Chinese Communist gift to the Cambodian Government of a radio broadcasting complex. According to the Committee on Government Operations, U.S.-financed contractors and Chinese-financed contractors worked side by side in constructing the studios. This gave the impression to the Cambodians that the United States was cooperating with the Chinese Communists, notwithstanding the fact that a basic purpose of our foreign aid program is to combat communism.

Mr. Chairman, these are only a few examples of the inefficiency, waste, and misuse of our taxpayers' dollars which has occurred in the administration of our foreign aid program.

If one will take the time to study the record of foreign-aid spending for the past 16 years, he will find many other instances where the American taxpayer has been the victim of gross waste and misuse of his money.

There is another important area in which the United States has been the victim of nations which have been the recipients of the generosity of our taxpayers. Many of the countries helped with our foreign-aid dollars have had no hesitancy in expropriating U.S. property within their borders.

Yugoslavia, Poland, Bolivia, Guatemala, Egypt, Argentina, Mexico, Brazil, Cuba, and Ceylon have expropriated U.S. property since 1945. Some of these nations have made partial payment for the properties; others have done nothing to pay Americans for the losses they have sustained as a result of the ruthless confiscation of their property.

Within the past 3 years Brazil has expropriated American property totaling approximately \$100 million. The American owners of International Telephone & Telegraph Co., Brazilian Traction, Light & Power Co., and the American & Foreign Power Co. have been deprived of their properties. The expropriations have been made in spite of the fact that Brazil has received over 1,535 million American dollars since 1946 with more millions promised under the Alliance for Progress.

A more flagrant example of expropriation recently occurred in Ceylon where the properties of the Standard Oil Co. of New Jersey, Caltex, and Royal Dutch Shell Co., were expropriated despite the fact that these companies had operated in Ceylon for more than 40 years. Prompt payment for the properties has not been assured by Ceylon. To compound their wrongdoing the officials of Ceylon have recently agreed to purchase petroleum products from Russia and Rumania under barter terms which the free world finds impossible to match. This, notwithstanding that Ceylon has received American aid amounting to more than \$74 million since 1946.

Mr. Chairman, these are just examples of expropriations that have occurred. Reliable figures indicate that American losses through expropriation since 1945 have totaled more than \$1.8 billion while compensation promised or actually paid does not exceed \$400 million.

I find it hard to understand how the United States can continue to furnish American tax dollars to nations which do not respect American property rights within their borders. This is another of the glaring inconsistencies that we can find throughout our foreign aid program.

Mr. Chairman, our recent experience in Cuba has been so tragic that I am loath to discuss the unfortunate record with that newly established Communist base in the Western Hemisphere. Since 1946 over \$41 million in foreign aid assistance has been given to Cuba. Yet, there has been nearly total expropriation of U.S. property in Cuba and the communization of the island republic.

Mr. Chairman, the public debt of the United States was \$298.2 billion at the close of the fiscal year 1962. This debt represents more than the combined public debts of all the civilized nations in the world. A great portion of this gigantic debt can be traced directly and indirectly to foreign aid spending during the past 22 years.

American taxes are at the highest level in our history, and no relief is in sight for our people. It is time for the Congress to do some earnest thinking with respect to our fiscal condition. We not only must make every effort to reduce nonessential oversea spending, but a conscientious effort must be made to curtail domestic spending.

If the United States continues on the road of fiscal irresponsibility it has followed for the past several years the Communists may come close to obtaining their objective of world domination without firing a shot. It has been well said that the United States is the last great bulwark of freedom on earth. We can maintain our position of leadership only so long as we have a sound economy. The time to begin a reduction in Federal spending is now. We can begin by refusing to approve the huge foreign aid appropriation bill we now have under consideration.

I shall vote against this bill which has as its purpose the further expenditure of American dollars in the foreign aid misadventure. This, to my mind, is the only sound action that can be taken if I am to do my duty for the people I am privileged to represent.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Louisiana has consumed 57 minutes.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. TABER. Mr. Chairman, the foreign relief practice started back in 1947 and 1948, and I was put on that committee. It has continued ever since and become more and more unwieldy as time went on, notwithstanding the cuts

that have been made in this bill as it stands here.

On page 3, line 2, there is a contingency item of which \$125 million is velvet. On the same page, line 8, \$775 million is carried for development loans, for expenses authorized by section 202 (a). That authorization could have perhaps \$500 million taken out of it without hurting any useful purpose.

The item for mutual assistance in the bill amounting to \$1.3 billion could be cut by \$300 million and not hurt anything. That is about the situation with reference to that item. You can go on with it.

The first year the program started, a budget estimate of \$5 billion was submitted. We gave them \$3.1 billion in committee but before we got through with the Senate and the conference it was increased to \$3.9 billion. At the end of the first year of their operation they were able to obligate only \$1.8 billion out of the \$3.9 billion appropriated. It has been going along in the same style ever since.

Mr. Chairman, we must face the music. The country cannot go along in this fashion and survive. Our national debt in the last 12 months increased by \$8 billion. Our governmental expenditures in the last 2 months, the first 2 of this fiscal year, increased by \$2 billion. Frankly, I feel a tremendous debt of gratitude to our Founding Fathers and those who have kept the United States of America right side up.

For my own part, I cannot see how I can support this bill. I did not support it last year because of the terrific debt situation that this country was in, and I cannot do it for the same reason this year.

Mr. Chairman, we are in a situation that unless we mend our ways and start to do something to collect money that we have advanced to other countries, unless we do that and save some money, it is going to be absolutely impossible for us to carry on and have the same kind of Government that you and I were born and brought up in. Frankly, unless we do that, unless we get down to the heart of things, it is going to be absolutely impossible for the country to stay right side up. The only way that can be done is to cut down these appropriations. I hope when we come to reading the bill for amendment there will be a disposition to do away with some of the items that are carried in the bill at the present time.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. I believe it is accurate to say that this will probably be the last appropriation bill the gentleman from New York will handle in his present capacity. The gentleman from New York [Mr. TABER] has served on the Committee on Appropriations longer than anyone in the history of the Congress and no Member has served as effectively.

All of us are cognizant of and familiar with the long, conscientious, dedicated, and constructive service that he has per-

formed in this most important committee.

I speak as one who is deeply indebted to the gentleman from New York [Mr. TABER] for many personal kindnesses, for a great deal of helpful and constructive advice. I can never repay him for his always generous assistance. More importantly I feel this body today should take cognizance of his invaluable contributions over the years which have greatly enhanced the reputation of the legislative branch, and benefited our Nation over the period of his 40 years of service. JOHN TABER will be missed as a true friend, a great legislator, and a superb American.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. CANNON. Mr. Chairman, I have seen many men retire from the House. I have seen many men come and go here on this floor. But of all those who have served here—and especially those who have as members of the Committee on Appropriations, I have never known any man to leave the committee or the House whose retirement I regretted more deeply.

Mr. Chairman, I consider the retirement of the distinguished gentleman from New York [Mr. TABER] as a national misfortune. He has been one of the sanest, soundest financiers it has been our good fortune to have with us and considered national expenditures as carefully and as conscientiously as he administered his own fiscal affairs. I sincerely believe—and I make the statement considerably—that the national debt would be billions of dollars more than it is today but for these 40 years JOHN TABER has been a Member of Congress.

He is one of the Nation's truly great men.

Mr. Chairman, I realize that he is entitled to a vacation. He is entitled to these later years with his family and his friends—and all the freedom and diversion and enterprises he has planned and looked forward to so long.

It is the universal wish of the House that he enjoy the relaxation and health and happiness and contentment which he so richly merits.

Our regard and esteem and warmest affection go with him.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. GARY. Mr. Chairman, I have had the pleasure of serving with the gentleman from New York [Mr. TABER] on this subcommittee since its inception. In the early days of the committee we alternated the chairmanship. When his side of the aisle was in control of the Congress he served as chairman. When our side of the aisle was in control of the Congress, I served as chairman. I have never served with any man with whom I have enjoyed serving more than with the gentleman from New York, JOHN TABER.

Mr. Chairman, the gentleman from Michigan [Mr. FORD], said that he was

indebted to the gentleman from New York [Mr. TABER]. I wish to add that his generosity, his assistance and his kindness to young Members and to those who needed his advice was not limited to the other side of the aisle. I confess here today that I am deeply indebted to him for the help that he has given me since I have been on the Committee on Appropriations, and particularly on this subcommittee.

Mr. Chairman, I share the regrets of all of the Members in this body that he is going to retire. I think he has earned a rest. He has worked hard. He has worked exceedingly well, and the country will never know what it owes him for his labors. I am certain that as he retires to the classical shades of private life all who have served with him will say: "Well done, thou good and faithful servant." May he have many years to enjoy the retirement which he has so richly earned.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, I should like to associate myself with the statements of those who preceded me. Next to my own distinguished chairman, the gentleman from New York [Mr. TABER], has always been the second man to whom I go for advice. It is only natural that I refer to him as "Mr. Chairman," because he has given me help ever since I have been on the Committee on Appropriations, and particularly so on the Foreign Operations Subcommittee on Appropriations.

The gentleman from New York [Mr. TABER] has been one of the foremost guardians of our Nation's purse strings. I wish we had some way of knowing, not of the billions, but in all probability the tens of billions of dollars that this great modest man has saved the American taxpayer.

I know that my life is a richer one for having known the gentleman from New York [Mr. TABER]. I have always considered him my friend. I have enjoyed being with him and talking with him. I think that, without exception, every Member of this House knows that when the final day comes—and we hope it will yet be many years away—this world will have been a better place in which to live because JOHN TABER lived in it, just as it is a better place today because of his life and works.

History will surely record him as one of the great statesmen, one of the great legislators of the age.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from New York yield?

Mr. TABER. I yield.

Mr. ROONEY. Mr. Chairman, I have had the great privilege of serving with the distinguished gentleman from New York [Mr. TABER] for the past 10 of his 40 years of service. In those 18 years we at first disagreed on many an occasion, but in latter years I found that we were in agreement on many an occasion. I consider the gentleman from New York, JOHN TABER, one of the

greatest men of my time in the House of Representatives. He is a fine and true gentleman. I consider him my close personal friend. I love him, I respect him and I am indeed grateful for his faithful and valuable services to our country.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. RHODES of Arizona. Mr. Chairman, it is always difficult to say adequately what we feel at a time like this. For myself, I want to associate myself with the remarks that have already been made. The services of the gentleman from New York [Mr. TABER] in this Congress defy the power of description as far as their excellence and worth are concerned.

The gentleman from New York has been affectionately, and sometimes not so affectionately, called Generous JOHN. The appellation, of course, bears witness to the fact that he has always acted for the best interests of the taxpayers and if he has erred, he has erred on the side of saving money. And, believe me, I know that the national debt would be much higher today if it were not for the gentleman from New York.

In closing, may I say to the gentleman from New York that I understand he may come to Arizona next winter. I hope he does, and he will be welcome as long as he agrees that he will stay out of active politics.

He has my warmest personal regards and my deepest appreciation, not only for the favors I have received at his hands, but for the great service he has rendered our beloved Nation.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ANDREWS. Mr. Chairman, I have known the gentleman from New York, JOHN TABER, and served on a sub-committee with him since I first came to Congress 19 years ago. I have known no finer man who has served in this House.

As has been said, he has been responsible for the saving of literally billions of dollars to the taxpayers of America. He is a great American. I love him and I shall miss him. I hate to see him go.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MAHON. Mr. Chairman, I wish to join in paying tribute to the character, the life and record of the gentleman from New York, JOHN TABER. It has been a wonderful experience to serve with him through these years. I know of no man on either side of the aisle who is more dedicated to the public interest. I am happy to join in this salute to a warm personal friend, one of the greatest legislators of our time.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CONTE. Mr. Chairman, I would like to join my colleagues in paying tribute to the gentleman from New York, JOHN TABER. It was through JOHN's help and guidance that I became a member of

this very great and powerful Committee on Appropriations. JOHN has been a guiding light to me. Mr. Chairman, he is a man of sterling character, a man of rugged fortitude. It has been a privilege for me to serve with him. I would like to take this opportunity, JOHN, to wish you many, many decades of good health and happiness; so that in the golden years of your life you may harvest the rich dividends and spiritual satisfaction which you have so ably earned in a lifetime of dedicated service to your country, to your family, and to the great State of New York.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I have served 34 years in this body with my distinguished friend from New York [Mr. TABER]. My association with him has been most cordial and friendly. Many years ago a close friendship developed between us which, as the years went by, became stronger and stronger.

JOHN TABER is not only a great man, but more, he is a good man. I know of no finer compliment that can be paid to any person than to say that he is both great and good. As between the two I know the gentleman from New York, JOHN TABER, would rather be characterized as good than great, but in this case he richly justifies the opinion of his colleagues, his friends, and Americans throughout the country, that JOHN TABER is not only a great man but a good man.

The gentleman from New York, JOHN TABER, is one of the greatest legislators that has ever served in the Halls of Congress in our Nation's history. He is one of the great Americans of this trying period of the world's history. When this session is over, and JOHN TABER retires, he will still be with us, for he is still in spirit a Member of the House because he loves the House. JOHN TABER's dedicated service will always be an inspiration to all of us and an example for us to follow, whether long in years of service in the House or as new Members coming into the House.

To my dear and valued friend I wish many years of happiness in retirement, and that God will continue to shower upon him for countless years to come an abundance of His choicest blessings.

Mr. HORAN. Mr. Chairman, it is rare indeed that we divert from the general debate on such an important subject as that before the Committee of the Whole House at this time but in this instance it is natural and it is justified.

JOHN TABER has served his Nation well. With courage and intelligence he has done his level best to protect a sound position for our fiscal affairs. Through the years this has been done without fanfare or any flair for headlines or personal aggrandizement. He has simply followed his sound judgments.

Most subjects are, of course, debatable and we may not always have agreed with JOHN TABER. But we can always respect and appreciate the vital purpose that has been the moving force of his long service to the Nation he loves so much.

Mr. EVINS. Mr. Chairman, I should like to join with my colleagues in paying brief but sincere tribute to our distinguished colleague, the gentleman from New York, Congressman TABER.

It has been my privilege to serve with the gentleman from New York, JOHN TABER, for a number of years as a member of the Committee on Appropriations and in particular on the Subcommittee on Public Works Appropriations—and I have learned to admire and respect him immensely. He is a great American.

Mr. Chairman, the gentleman from New York, JOHN TABER, has served the people of his district, State, and Nation for four decades. He has been a dedicated public servant. He has been firm in his beliefs and strong in the advocacy of his principles. The Nation's budget, as big as it is, would have been even bigger had it not been for the services and effective work of the gentleman from New York, JOHN TABER, who believes in economy and who over the years has practiced what he has preached. His services to our country are immense. He is a patriot. At times we have disagreed on some issues but, there have also been many times when we have agreed. He is one of the most distinguished Members of the House and a great American.

As he seeks his retirement after 40 years of outstanding service, I want to wish for him many years of good health and happiness.

Mr. JENSEN. Mr. Chairman, I join wholeheartedly in all that has been said about our colleague the Honorable JOHN TABER.

Having served with you, JOHN, for the past 20 years has been a great privilege, a great pleasure, as well as a valuable schooling in sound economics, which I have received by my close association with you. Mr. Chairman, as you well know, JOHN TABER is an outstanding patriotic American gentleman of the highest order and that he is honored and esteemed by his colleagues in both parties.

The gentleman from New York [JOHN TABER], by his tireless efforts on the Appropriations Committee has saved billions upon billions of dollars for the taxpayers of the United States of America.

JOHN, next session, should I step into your place on the committee, I pledge to do my very best to carry on here in a manner pleasing to you, and good for our blessed land.

And so JOHN, I wish you and your wonderful wife, all the pleasures of retirement.

In closing, I say from the bottom of my heart, well done good and faithful servant.

Mr. GROSS. Mr. Chairman, I join with the many other Members of the House in expressing my genuine regret that the gentleman from New York [Mr. TABER], a great American and a splendid legislator, is retiring from active duty. As a conservative, he has been a guiding light to many of us. After his long years of service he deserves a rest but his influence and experience will be sorely missed by his district, his State, and the Nation.

Mr. LINDSAY. Mr. Chairman, I wish to join my colleagues in paying tribute to my friend and colleague and senior, the gentleman from New York, JOHN TABER. For 40 years the gentleman from New York, JOHN TABER, has served the people of his district and his country. He has served them with courage and devotion.

Since the first day that I came here to Congress, 4 years ago as a freshman, the gentleman from New York has gone out of his way to be kind and helpful. I have thanked him for it privately and now I want to thank him publicly. The Congress will miss the gentleman from New York, JOHN TABER, and most of all the New York delegation will miss him. We wish him and Mrs. Taber many rewarding years of happiness and activity in their retirement.

Mr. TABER. I am going to close now. I had hoped that the spirit of responsibility of citizenship will come to bear on all of you, and that we will get rid of this liability that we have been shaping up to. I have to realize that there is no way of stopping it, but I cannot vote for any more of these appropriations. The only way we possibly have of getting rid of them and balancing our budget is to stop the terrific drain for something that we do not need and do not accomplish anything by.

Mr. Chairman, I yield 10 minutes to the gentlemen from Michigan [Mr. FORD].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, I think my views on this subject matter as a whole because of my past voting record and statements I have made on the floor of the House are well known. From the inception of my service in the House of Representatives I have favored this legislation. I favored it in 1962. In the past on some occasions I have differed with my own subcommittee's recommendations. About a year ago I differed rather substantially with the recommendations of the subcommittee. However, in 1962 I am supporting the subcommittee's recommendations. I am particularly supporting the recommendations inasmuch as we were able to work out in the full committee a reasonably satisfactory figure for military assistance. I intend to oppose any amendments, if offered, for increases, and I intend to oppose any amendments for decreases, if offered.

I would like to make a comment or two as to my own personal views concerning several of the dollar figures. It is my judgment that the amount recommended for military assistance is marginally adequate. Personally I would have preferred a larger figure. However, it is adequate as long as the administration has the availability of section 510 of the basic legislative authority. Under section 510 the executive branch of the Government does have authority to withdraw stocks from our own military supplies to the extent of \$300 million. This in effect is a military contingency fund. This safety valve, in my opinion, makes

the \$1.3 billion recommended for military assistance marginally adequate.

The funds for supporting assistance are somewhat marginal, in my judgment. However, I think if the administration appropriately makes selections between countries and between programs within countries, this amount of money which has been proposed can be adequate in fiscal 1963.

Although I have firmly supported aid for our Latin American friends, it is my own personal conviction that we have, to some limited degree, based on the past performance of the agency, been liberal with the Alliance for Progress. Certainly their record of performance during the first year has not been as good as it ought to be. But it is an important program both materially and psychologically. For these reasons I am supporting the amount that we have recommended for the Alliance for Progress.

All of the other programs are adequately funded. I am a little disturbed at the various responsible authorities in the executive branch of the Government making quite a bit of noise and being quite critical of the substantial cuts made in the Development Loan Fund. Recently it has been my privilege to try to work with some of the officials in the executive branch of the Government trying to arrive at responsible figures, and when I say this I do not think I am telling any secrets out of school.

I know if the agency were given a figure where reductions would have to be made they would pick the Development Loan Fund as the area where the biggest cut would materialize. So the subcommittee and the full Committee on Appropriations is only following their own guidelines. I have to assume that their guidelines are responsible.

I have been a little disturbed also by some other comments by the executive branch of the Government. I have in my hand here from the Department of State a statement by the Secretary of State dated September 19, 1962, press release No. 571. In the first paragraph the last sentence reads as follows:

The cuts now being considered—the heaviest ever made by an Appropriations Committee—will represent a significant reduction at a time when a million American men are outside the United States to defend freedom, and when crises such as Berlin and Cuba indicate that we face weeks and months of demanding effort.

The Secretary's statement is not absolutely clear. I believe he is talking about the overall cut, but there are certain inferences in the statement which would indicate that he is stating that the committee this year has made the largest cuts in history in the military assistance program. If my interpretation is the correct one, the record ought to be set straight, because the inference is not accurate. In my hand I have a statement prepared by the Department of Defense showing the military assistance appropriations for the fiscal year 1950 through the fiscal year 1963. I will only take one example, but in fiscal year 1956 the executive branch of the Government for military assistance requested \$1,442.2

million. The House as a whole reduced that executive request by \$432.2 million. In other words, for fiscal year 1956, the Committee on Appropriations and the House made an even larger dollar cut than the cut recommended for fiscal 1963. The cut in military assistance for 1963 is only \$200 million. It is a reduction from \$1,500 million to \$1,300 million.

I also have in my hand here a copy of a letter addressed to our Speaker dated September 19, 1962, from the Secretary of State. As I indicated a few minutes ago, there has been a great deal of complaint because of the reduction in the Development Loan Fund. I think the reduction is \$475 million. The executive branch of the Government has made the criticism that by this reduction we are virtually precluding any new commitments to other countries other than those that have been the beneficiaries of prior commitments. Some commitments with reservations can be made under section 202(b). The Secretary of State says in his letter to the Speaker:

In fact, the action of the committee would make it impossible to extend any significant new loans beyond those already committed in the past.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FORD. The Secretary of State goes on to say in this communication, and I quote:

Let me emphasize that underscored statement. You will recall that last year the Congress provided statutory authority to the President to make long-term commitments subject to appropriation.

Apparently the Secretary refers to some commitments to foreign countries such as India in very substantial amounts in the development lending area. He seeks to make the argument that these commitments have a priority over any other proposed development loans to other beneficiaries, to other countries that may have deserving projects. I do not subscribe to that point of view. The commitments that were made to India or to any of the other countries under this long-term commitment program, subject to appropriation, have no higher priority in the next fiscal year than the projects submitted by other countries in the current fiscal year. The commitments made to India, and I use that as one illustration, were made under a contract where we were assured the terms included the phrase "subject to appropriation." I, for one, would strenuously object to whatever funds are made in development loans being put on a priority basis for India just because they have a so-called long-term commitment. Each year, when the funds are made available, the executive branch of the Government should take a clean, fresh look, and pass judgment on every development loan request anew.

So I say, with considerable emphasis, I am not impressed with the Secretary's argument or observation under any circumstances in his letter to the Speaker.

There is one other provision that was inserted in the bill this year, sponsored by the chairman of the committee, and I wholeheartedly supported it. It is on page 2, line 20, and it reads:

*Provided*, That no part of any other appropriation contained in this Act may be used to augment funds or programs contained in this paragraph.

This is under "Title I, Foreign Aid (Mutual Security)" subheading "International Organizations and Programs."

This language means precisely what it says. We do not want any Philadelphia lawyer in the executive branch misinterpreting the committee's intent. We do not want the executive branch of the Government destroying the obvious purpose of this provision. We can only wait and see what happens with this provision. But I can assure you that in the past, in fiscal 1962, there were many instances of abuses, which abuses precipitated the legislative action which is indicated here on page 2 of the bill.

Mr. Chairman, I will not say any more at this time. I simply want to reiterate and re-emphasize my support of the program.

On the other hand, I want to say again I intend to support the bill as it is submitted to us as far as dollar amounts are concerned.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PASSMAN. Mr. Chairman, I yield the gentleman 1 additional minute. Will the gentleman yield?

Mr. FORD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. So many times when we pay compliments to members of a committee, we do not go far enough. We have 12 members of the subcommittee, each and every one of them working untiringly and completely sincere, and without exception they all make great contributions to this committee. I do not know of a single member of this subcommittee that I would want to see leave the subcommittee, because they are all my personal friends and they have made a great contribution. They have worked long, hard hours. But my old professor, JERRY, who trained me how to handle the bill, I cannot help but single him out because he is also my boss on another committee, and I like him to recognize me occasionally.

Mr. Chairman, I want it understood that this is a great subcommittee, and if I had the right, which I shall never have, I would not dare ask that any of them be removed. They have all served a good, useful purpose.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Ohio.

(Mr. HARSHA asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HARSHA. Mr. Chairman, in view of the deep concern of the citizens of the United States with the growing threat of communism to our peace and security, coupled with the fact that foreign aid does not halt the spread of communism and the steady loss of our gold reserve to foreign nations, I would like

to take this opportunity to urge my colleagues to further reduce the foreign aid appropriations bill and to stop stockpiling foreign aid funds.

I am pleased that the House Appropriations Committee has already cut \$1.1 billion from the President's request for \$4.7 billion; however, I urge that further reductions be made, particularly because of the fact that there is already on hand about \$7 billion in unexpended funds as of June 30, 1962. At the rate of expenditures for foreign aid over the last 3 years, this is enough to continue the program for over 2 years and, therefore, additional funds are not needed. To grant additional sums now will only be adding to the stockpile of unused funds, and encourage further waste and extravagance at the expense of the taxpayer.

As we are all aware, many of the countries now receiving our aid are contributing to the military buildup of Cuba and a cut in funds could be used to stop this activity. Most certainly, with the deep concern felt by the American people over the Communist move in Cuba, they should not be asked to contribute more of their tax dollars to indirectly aiding this Communist movement.

I want to speak also on another great threat to our Nation and that is the continued loss of our gold reserve. With the drain on our gold reserve, for the first time in 17 years, the United States has had to remove large amounts of bullion from Fort Knox to meet the demands. Many of the countries receiving our aid are using the money to buy up our gold instead of engaging in programs to raise their standard of living. This, obviously, defeats the purpose of our foreign aid program.

Cambodia recently bought \$3.1 million of our gold; Lebanon purchased \$21 million of our gold; Nigeria bought \$20 million; Saudi Arabia, \$47 million in bullion, and Spain \$156.2 million. These transactions neither enhance our gold reserve situation nor improve the living conditions in these countries. I maintain that if they have the funds to buy our gold, they do not need more U.S. gold. This drain on our gold can lead to only one disastrous result. From time immemorial gold has been the ultimate in financial security to all tongues and to all civilizations. Most sound monetary systems of the past have been based on gold reserves, and as a nation's gold reserves diminished, its currency became increasingly valueless, and as a result the nation lost its importance in world commerce, or as a world power.

I would like to cite another reason for urging a further cut in the foreign aid appropriations—the plans for AID to extend aid to Communist nations. The American taxpayers do not favor granting aid to Communist countries. This action, again, not only defeats the purpose of foreign aid, but is also in direct contrast to the reasons for our huge military and space buildup.

The total money request in the bill is for \$7.2 billion. In addition to the \$3.6 billion for regular foreign aid, it contains a \$2 billion loan to the International Monetary Fund, \$1.3 billion for the Export-Import Bank, \$326 million for other

agencies, including the Peace Corps. These are all forms of foreign aid. In addition to this, Mr. Chairman, there are great sums allocated under Public Law 480 for more foreign aid. The administration has indicated it will commit local currencies for aid programs totaling approximately another \$2 billion and there are other sums buried in agency or department budgets for aid programs which bring the total far in excess of the sums in this bill.

In conclusion, Mr. Chairman, I would like to point out that even Russia has slashed her foreign aid program by almost 40 percent.

I respectfully urge my colleagues to give very careful consideration to the precarious situation facing our country, and further reduce the funds provided in this appropriations bill.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I have enjoyed the remarks of the gentleman from Michigan. As usual, he has made a very fine presentation on the foreign aid appropriation bill. However, there are several points that concern me in the presentation of this bill by the committee. These points have to do with the economic aid sections of the bill.

Last year we appropriated \$525 million for the Alliance for Progress program, and that was the recommendation which the gentleman from Michigan [Mr. FORD] made, together with the other members of this committee. I supported this bill in the vote here on the floor of the House at that time. However, in going over the hearings, I find that there has been only \$87 million obligated of the \$525 million appropriated last year. I find that the committee has added another \$525 million to this account in this bill. These are "no year" funds. In the defense appropriation bill, the military construction appropriation bill, the HEW appropriation bill on which I work, we would never be quite so free in appropriating in the "no year" funds with so much of an unobligated balance remaining available.

Is the gentleman from Michigan [Mr. FORD] satisfied that the full \$525 million in new obligating authority is needed?

Mr. FORD. I said a few minutes ago that if there was an area in this bill which was overfunded, based on the record of performance in fiscal 1962, it was in the area of the Alliance for Progress program. The figures quoted by the gentleman from Wisconsin to some extent are the reasons why I made that statement.

Mr. LAIRD. If the gentleman will yield further, how much does the gentleman think this figure could be cut?

Mr. FORD. I would hesitate to make a specific comment in that regard, because I feel quite strongly that the Alliance for Progress program as a whole, which was started at the conference in Bogotá, in 1960, is one that deserves maximum support.

Mr. LAIRD. I agree with the gentleman and I voted for the \$525 million last

year. But it seems to me the record of our committee would indicate that it is not being accomplished in the manner in which we thought it would be accomplished at the time we made the \$525 million available last year.

Mr. FORD. The program has been slow getting off the ground.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Michigan yield at that point?

Mr. FORD. Yes, I yield to the gentleman from New York.

Mr. ROONEY. Was it not explained to the committee during the hearings that the program was slow getting off the ground because of the fact that they wanted to make sure that they were entering into the right kind of projects, and to make sure that the recipient countries would make agreements which would be in our national interest?

Mr. FORD. That was one point that we insisted upon last year in the hearings and reaffirmed this year. The fundamental basis of the program is that we are going to enforce land reform, tax reform, and other necessary reforms in order to try and create the proper political and social environment in South America and in Latin America.

The committee was told that some of the delay, some of the tardiness, some of the failure to get moving resulted because our representatives were seeking to enforce these basic requirements. These officials now seem to indicate they can do better in fiscal 1963.

If the Congress made a substantial cut—and anything below \$75 million, in my opinion, would be a substantial cut—we would create a bad psychological impact; we would do far more harm than good. I am very willing, therefore, to give the Alliance for Progress officials another 12 months to see if they cannot improve their administration, improve their effectiveness and come up with a solution that will achieve all that we fervently desired.

Mr. LAIRD. Mr. Chairman, I thank the gentleman from Michigan.

Mr. WILLIAMS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty Members are present, not a quorum.

Mr. WILLIAMS. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The gentleman is too late; the Chair has already announced the absence of a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 240]

Ayres	Harrison, Va.	Moulder, Mo.
Bailey	Hébert	Norrell
Baring	Hoffman, Mich.	O'Brien, Ill.
Bass, N.H.	Hull	Pilcher
Blitch	Judd	Powell
Breeding	Kearns	Reifel
Buckley	Kowalski	Riley
Celler	Landrum	Rivers, Alaska
Davis,	Loser	Roberts, Ala.
James C.	McDonough	Rogers, Colo.
Davis, Tenn.	McSween	Saund
Diggs	McVey	Scranton
Dooley	Macdonald	Shelley
Finnegan	MacGregor	Sikes
Fino	Magnuson	Siler
Garland	Martin, Mass.	Smith, Miss.
Hansen	Mason	Spence

Sullivan	Vinson	Wilson, Calif.
Tuck	Weis	Zelenko
Van Zandt	Whalley	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 13175, and finding itself without a quorum, he had directed the roll to be called, when 377 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. RHODES].

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Florida.

(Mr. HALEY asked and was given permission to extend his remarks at this point in the RECORD).

Mr. HALEY. Mr. Chairman, I rise to commend the Committee on Appropriations and its Subcommittee on Foreign Operations for having brought to us a bill which is substantially below the amount which the Congress authorized—I cannot say in its wisdom—for foreign aid programs during the current fiscal year.

I only wish that the circumstances were such that I could commend these committees more highly for having cut more deeply into this annual nightmare of wasteful expenditure of taxpayer monies. But I am a practical man, and realize that the subcommittee has done its best, in the face of great pressure from the other side, to reduce the size of this deficit-producing monstrosity by \$1.2 billion.

I am, of course, in favor of ending this program as soon as possible, and in the meantime of making annual reductions in its outlays until it has dwindled first to manageable size and finally to nothingness.

In this connection, Mr. Chairman, I would like to say as an accountant that I think the gentleman from Louisiana, in his capacity as chairman of the Subcommittee on Foreign Aid Appropriations, has presented us with some figures of great significance, in a letter which he sent to all of us last week. I would hope that each of you has read it and given it much thought—for the figures in this letter demonstrate as clearly and as succinctly as anything I know the fact that the foreign aid program can be cut and cut sharply, not at some time in the future, but at this moment, or next year, or whenever we make up our minds to do this thing that we must eventually do if we are to save our economic solvency.

These figures show that as of the beginning of this fiscal year—the year for which we are being asked today to make new appropriations—the foreign aid program was in possession of a kitty of \$6,712 million.

That is about three-quarters of a billion dollars more than the foreign aid

surplus a year earlier, nearly \$2 billion more than the surplus 2 years earlier. These show then, for one thing, that we overappropriated for this program for fiscal 1961, and again overappropriated for it for fiscal 1962. I am alarmed at the prospect that we are again preparing to appropriate more money for fiscal 1963 than this program needs or can use—even with its wasteful and inefficient practices.

But there is a fact of even more striking significance contained in these figures, Mr. Chairman. These figures which I have just cited show that as of the first day of this fiscal year, there were already on hand in the foreign aid treasury—it is really too vast to be called a kitty—sufficient funds to operate the program, at the same level of expenditure as has prevailed for the past 3 years, for more than 2 years without the appropriation of one single additional penny.

I am fully familiar with all the gobledygook from downtown about obligations and commitments and programming. But I am not nearly so impressed by these fine words and theories as I am by the stark reality of the facts which these figures represent. In fact, I might say I am totally unimpressed by the words and theories—and vastly impressed by the facts and figures.

I am too much of a realist to hope that we can defeat this bill today, Mr. Chairman. But I am sufficiently dedicated to the proposition that sound fiscal policy is the heart of sound government, that I cannot help but hope that we will be able to find a way to trim from it even more of its fat than the committee has been able to manage.

Mr. RHODES of Arizona. Mr. Chairman, I shall not vote in favor of this bill. I shall vote against this bill for several reasons. Emperor Haile Selassie's yacht is one relatively minor reason for not voting in favor of it. This yacht once was an American submarine chaser. It was given to the Government of Ethiopia. It was refitted, remodeled, and air-conditioned at a cost of \$3.1 million of our taxpayers' money, \$175,000 of which went for the personal quarters of the Emperor of Ethiopia.

Mr. Chairman, I hope that my remarks will not be taken as being unfriendly to the Emperor of Ethiopia. I do not feel unfriendly toward him; I regret the philosophy of those who operate this program which impels them to bestow such largesse for the purpose of providing luxuries for anyone at the expense of the American taxpayer.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Arizona yield?

Mr. RHODES of Arizona. I yield to the gentleman from New York.

Mr. ROONEY. I wonder if the distinguished gentleman would advise the House as to the date or time when this Navy project for Emperor Haile Selassie was started?

Mr. RHODES of Arizona. As I recall the transfer of the boat was made in the Eisenhower administration, but the deal for refitting and air-conditioning the boat and adding \$175,000 for the Em-

peror's quarters was made under the Kennedy administration. So, this is not a political statement that I am making.

Mr. Chairman, I also can say that I am going to vote against this bill because there have been funds spent for buying television sets to spread around the Congo because someone downtown thinks that the only way to educate some of the people in deepest, darkest Africa is by television.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Virginia, who knows the instance of which I speak.

Mr. HARDY. I know exactly the instance of which the gentleman is speaking, and I would like to advise the Members of the House, if the gentleman will permit, that our subcommittee report was issued and released this morning dealing with that subject, and there are some copies available at the pages' desk.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Michigan.

Mr. MEADER. Mr. Chairman, the gentleman referred to the purchase of television sets. There were 1,000 23-inch transistorized battery-operated television sets purchased at a cost of \$400,000.

It was proposed to use them in areas where there is no electrical power supply.

So how did they propose to charge the batteries? They were going to charge them with a hand crank, or they were going to get a merry-go-round, let the children play on the merry-go-round and charge the batteries by the merry-go-round's operation. The batteries would be charged while the children were playing on the merry-go-round.

But in case they did not have a merry-go-round they were going to get one of these squirrel cages, a treadmill affair where the squirrel runs around, to charge the battery while he was running around, getting nowhere.

The gentleman from Virginia [Mr. HARDY] was quite modest because when that testimony came out in our hearings he made the observation that all the squirrels were not in the cages.

Mr. RHODES of Arizona. I think the further observation could be made that this has cast some doubt on just who needs to be educated. Maybe the Congolese who will receive the sets are better educated than those people who are trying to give the television sets away—at least in the facts of life.

Another reason I am not going to vote for this bill involves the Inter-American Development Bank. The Inter-American Development Bank was to have capital to be paid in three increments. Provisions were made for some of the money to be paid in by an interest-free note instead of cash, at the option of the member nation. Most of the nations decided to pay the money in by interest-free note. But, because we are very generous people, during the Eisenhower administration's last year and the Kennedy administration's first year, we paid in

roughly \$120 million in cash. This bank had only started to do business. It did not need that money. It did not need to make any loans because there were not any loans to be made. So what did they do with the money? Mr. Chairman, they took the money and bought U.S. Government bonds with it. And last year we paid in interest \$2,400,000 on bonds which were purchased by the Inter-American Development Bank with money that we did not have to pay to them in the first place, and which they did not need. It constituted a gratuitous increase in our contribution of capital to this bank of \$2,400,000.

So these are some of the relatively minor reasons why I say I am not going to support this bill. There are other and better reasons.

In the first place, the gentleman from Louisiana, the distinguished chairman of this subcommittee, has made the point, very ably, that one of the reasons the gold supply of the United States has gone down is because of the maintenance of this program at the level where it now is. This program is about at the level it has been since the days of the Marshall plan, perhaps a little bit lower. But certainly we are in a different situation vis-a-vis the rest of the world than we were at the time of the Marshall plan.

You will remember that in the days of the Marshall plan, right after World War II, the United States was in a position, as far as the world economy was concerned, where we had all of the goods for sale and there was nobody else in the market. We could sell what we could manufacture, and at a profit and therefore we could well afford to indulge in this rather expensive pastime which we now call foreign aid.

The world economic situation after World War II was made to order for the United States. It is not now this good. There are other people in the market. We do not have the unchallenged possession of the world markets. We have competitors, many of whom we have built up through foreign aid, and we should have because they are our friends. Nevertheless they are now able, tough competitors and we find ourselves now in this situation: Our favorable balance of trade has decreased, our international payments have risen, and we now are in a deficit position as far as our balance of international payments are concerned. So dollar credits in the hands of foreign nations have increased, and gold has been flowing out of the United States. We have lost some \$7 billion in gold since the close of World War II.

Last week, the first shipment of gold out of Fort Knox to New York in many years occurred. It occurred because the supplies of gold at the port of New York were not sufficient to take care of the need for physical gold needed for shipments out of the country.

This starts a gold pipeline from Fort Knox. There is also another pipeline. Let me read this from the ticker as of today:

DENVER.—The Superintendent of the U.S. Mint here said today billions in gold bars

have been quietly moved out of Denver, cutting the local mint's gold supply from about \$5 billion to \$2.5 billion.

The transfer has been taking place since 1958, Mrs. Fern V. Miller, Mint Superintendent, disclosed today.

Marshall M. Reddish, Assistant Superintendent, said the gold, moved by armored caravan, went to the Treasury's New York assay office. He said purpose of the transfer was to keep a ready stock of gold on the east coast to meet foreign demands.

So we are losing gold. Physical gold. It is being shipped out, and we have not yet stemmed the tide. This bill will, in my opinion, cast enough doubt on our resolution to stem it to effect adversely the confidence the free world has in the American dollar. Certain nations which have been the beneficiaries of our aid have turned around immediately and bought our gold. Therefore, our own aid has actually financed the outflow of our gold to many of the nations of this world.

Mr. Chairman, another reason why I shall vote against this bill is the fact that I am convinced that in the development-loan category of mutual assistance we are undertaking a course of action which will undermine, if it continues, several of the pinions of the free world which I think are among the most important which are in existence. As I have mentioned, the economy of the United States is in a different position as far as the rest of the world is concerned than it was after World War II. I submit that the existence of the outflow of credits as a result of foreign aid has been more responsible for the international payments deficit than any other single factor. I also submit that if this continues the free economy of the United States of America may well be threatened—that it may well cause irreparable damage to our economy.

The most important thing to the free world today, tomorrow, and every other day, is the free economy of the United States of America. If this economy of ours is injured irreparably it will make no difference whether we have built a factory in Taiwan, whether we have built a road in Cambodia, it will make no difference whether we have supplied television sets for educational purposes.

All of these things however desirable will be completely irrelevant because the free world depends upon the free American economy. And as long as this program was within the reach of the free American economy to support without damage, I have supported this program. I now have grave doubts as to whether the international position of our economy can be maintained with a program of this size. Recognizing as I do the vital nature of our military assistance program and some parts of our supporting assistance, my decision has required much soul searching. However, on balance, I must oppose the bill.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. ANDREWS. I share the concern that the gentleman has expressed about the condition of our gold supply. If I recall correctly, our committee was told

that we have approximately \$16 billion in gold at Fort Knox.

Mr. RHODES of Arizona. Yes; \$16 billion is the total supply.

Mr. ANDREWS. And we were told it was necessary for us to keep at all times \$11.5 billion of that gold to protect the integrity and soundness of our currency.

Mr. RHODES of Arizona. The figure the gentleman has mentioned is approximately correct.

Mr. ANDREWS. And further we were told that the total amount of claims now held by foreign banks and governments or businesses or foreign citizens which can be converted into gold, being claims against the gold on deposit at Fort Knox, is approximately \$20 billion. Are those figures approximately correct?

Mr. RHODES of Arizona. Yes, those figures are approximately correct.

Mr. ANDREWS. So if the \$11.5 billion is added to the \$20 billion figure, you have \$31 billion worth of potential claims against \$16 billion worth of gold. So, I too, share the fear that the gentleman from Arizona has so far as this situation is concerned. In my opinion, this foreign aid program is responsible, more than any other one thing that you can put your finger on, for the drain against our gold supply that has taken place in the last few years.

Mr. RHODES of Arizona. Now, for another reason I shall vote against the bill. Here in the United States, whenever a State wants the Corps of Engineers or the Bureau of Reclamation to build any kind of project, it is necessary for much action to take place.

It is necessary for an engineering study to be made. A benefit-to-cost ratio is arrived at. Plans and specifications are prepared. Then, it is necessary to have an authorization of the project passed by the Congress. Then the Congress must appropriate the money for it. Then, finally, construction on the project goes ahead. I suppose that many people in the United States think that we operate the same way abroad. Nothing could be further from the truth. As a matter of fact, the Committee on Appropriations has been asked to appropriate for what we call illustrative projects in the AID program. In other words, they give the project a name. They say, roughly here is what it is; here is the way it will be unless we change our minds. What is the benefit-cost ratio? At this stage, no one knows. When will it be built? Quite often, no one knows. Quite often we say ask AID, "Does the other country know you want to build this project?" and the answer is "No, we have not told them yet." So, we are asked to appropriate money without having any of the ground rules or any of the criteria established which we require to be established here in the United States for similar projects.

This is the same situation as if the Corps of Engineers were to come to Capitol Hill—to the Public Works Subcommittee of the Appropriations Committee—and say to its distinguished chairman, the gentleman from Missouri [Mr. CANNON], "You are the chairman of the Appropriations Committee, will you please appropriate X billion dollars for

projects? We do not know, sir, how many will be built. We do not know what or where they will be built, for certain. We do not know how long it will take. We do not know what the benefit-cost ratio is. But please trust us, Mr. CANNON, because we are nice people."

This is exactly what we are asked to do on a global basis, and this is another reason, Mr. Chairman, why I will not vote for this particular bill today.

There are other reasons that I might give if time allowed, but before I take my seat there is something I must say.

The gentleman from Louisiana [Mr. PASSMAN] has been chairman of this subcommittee for a long time. During that time the taxpayers of the United States have been well served by the gentleman's diligence, by the fact that he has been able to go into the ramifications of this program and to show where some of the fat is and to take it out. The gentleman from Louisiana has served his people well; he has served the taxpayers of the United States well.

I am sorry that there are those who are so much opposed to the point of view of the gentleman from Louisiana, and that they resent the activity of the gentleman from Louisiana to such extent that they resort to invective, innuendo and equally disagreeable means to try to demean, and blot the escutcheon of the gentleman and obstruct him. The gentleman in my estimation is one of the finest Members of this House and also one of the finest public servants that ever walked into these halls. He does not deserve anything but praise and approbation from the American people.

Mr. ANDREWS. Mr. Chairman will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. ANDREWS. I concur in what the gentleman from Arizona has said about our chairman. I wish to ask him if in his opinion our chairman, the gentleman from Louisiana [Mr. PASSMAN] did not know more about this program than any witness who appeared before the committee?

Mr. RHODES of Arizona. There is no doubt about that.

Mr. ANDREWS. In many instances the witness did not know the answer to the questions. He would say we will go off the record, would give them the answer, then go back on the record, ask the question, and have the answer given for the record.

Mr. RHODES of Arizona. That is true.

Mr. ANDREWS. And is it not also true that on one occasion our chairman asked for certain information of witnesses. They did not have it but said they would try to get the information. Then last night one of the reference men in the Library of Congress called our chairman for the information and our chairman gave the Library of Congress reference worker the information. He in turn referred it to the aid agency. And the aid agency then gave it to our chairman.

Mr. RHODES of Arizona. That is the situation.

Mr. ANDREWS. Our chairman spent a lot of time and a lot of work in an effort to answer his own question.

Mr. RHODES of Arizona. I do not know that there is any other case on record in which the Library of Congress has asked a Member of Congress for information. It is almost always the other way around.

I am sure the gentleman from Alabama will agree with me also that the appellation Poisonous Otto is not deserved by the gentleman from Louisiana. The only time he ever even came close to being slightly disagreeable to witnesses was on those occasions when witnesses either were trying to disguise the facts from the committee or obviously had not done their own homework.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield further?

Mr. RHODES of Arizona. I yield.

Mr. ANDREWS. And is it not also a fact that in one instance there were two witnesses testifying, two principal witnesses; a question calling for a yes or no answer was asked. One of them answered "Yes" and the other answered "No"?

Mr. RHODES of Arizona. That has occurred, I think, several times, as the gentleman from Alabama well knows.

Mr. PASSMAN. Mr. Chairman, I yield to the gentleman from New York [Mr. ROONEY] such time as he may consume.

Mr. ROONEY. Mr. Chairman, I should like to concur in the last statement of the distinguished gentleman from Arizona with reference to the chairman of this subcommittee, the distinguished gentleman from Louisiana [Mr. PASSMAN]. As far as I am concerned, he has always been a gentleman with me, and although he and I have differed with regard to many, many of the items in this bill and in preceding bills, I can never say that he did not act fairly and as a gentleman toward me. I respect his rights to express his ideas with regard to the bill, and he has indicated that he respects mine.

One of the most important, in my estimation, of the items on which we have widely disagreed is that with regard to development lending. I could not concur in the committee's \$475 million slash of President Kennedy's request for this fund.

The amount authorized for development lending under the Foreign Assistance Act of 1961, as amended, is \$1.5 billion. The President recommended that \$1.25 billion be appropriated. The committee in its report recommended that only \$775 million be appropriated. This recommendation represents a cut of about 38 percent from the requested amount. If such an amount were finally approved by the Congress, it could have the effect of cutting the heart out of the loan program.

Only 1 year ago, this body endorsed the development loan program as a major instrument of our foreign policy and of the new aid program. The discussions at that time were extensive, but I believe that an excellent program capable of sustaining a long-term approach was approved. In the authorizing legislation the Congress approved a 5-year authorization for long-term, dollar repayable loans. These loans were to be on easy terms—up to 40 years in dura-

tion with low or no interest and up to 10 years grace period before repayment would begin. But these terms were made explicit at the time, and I believe that they will be beneficial because they will require repayment of our foreign assistance.

Last year, after the authorizing legislation was passed, the President requested an appropriation of \$1.2 billion for development lending. This body approved an appropriation of \$1.025 billion; a cut of 15 percent. The action of the House in this case seemed to me to be responsible and prudent.

The appropriation of only \$775 million for development loans for fiscal year 1963 seems to me to be just the opposite. The cut of almost 40 percent from the amount requested for appropriation for loans is, I believe, a reversal of the policy which was established last year. This cut would undo all of the work of this House in attempting to shift the aid program from grants to loans. We should not ask the aid agency to shift its emphasis to a loan program and then refuse to appropriate money for those loans. And that is exactly what we would be doing when we appropriate only \$775 million for the long-term lending program. The restoration of \$200 million to the loan appropriations is the responsible and prudent thing to do. I believe that an appropriation of \$975 million will live up to the commitment which this body has made last year in approving the long-term development loan program as a tenet of the foreign economic aid effort.

Under the policy established by the Congress and the executive branch last year, the aid Agency has made a number of long-term commitments. These commitments by the U.S. Government involve India, Pakistan, Nigeria, Tanganyika, the Philippines, and Tunisia. Testimony before the subcommittee indicated that approximately \$700 million of fiscal year 1963 funds have been so committed. In addition, AID has continued to operate under the continuing resolution during the first quarter of fiscal year 1963, which is almost over. During this first quarter, I am informed that a little over \$40 million in development loans has been committed for other worthwhile projects.

Thus, the total commitments that have been made for development loans out of fiscal year 1963 amount to about \$750 million. If only \$775 million is finally appropriated, the U.S. Government will have virtually exhausted the entire amount of fiscal year 1963 funds. As a practical matter, therefore, the slash in development lending funds would have an effect far beyond that which such a reduction might be expected to have. It would effectively scuttle the development lending programs for fiscal year 1963 in a large number of countries. These include programs and project needs in countries of the highest importance to the United States—such as Turkey, Taiwan, Thailand, and Iran. It could mean token programs or no programs at all in countries where the United States has a substantial interest in the development momentum already achieved—such as Greece, Israel, and the Sudan.

These commitments are all made subject to the appropriation of funds by the Congress. However, as long as the other countries meet the conditions set forth in those agreements, the United States would be bound, unless it chose to renege on its solemn commitments. To fail to live up to these understandings would almost certainly create a crisis in our relations with those countries and seriously damage the U.S. position internationally.

There is nothing in the committee report nor in the hearings that would justify a cut in the President's recommendation of almost 40 percent. The report indicates that an appropriation for \$425 million for loans under the Alliance for Progress, when added to the \$775 million recommended for development lending, results in a total of \$1.2 billion for loan assistance on a worldwide basis of about the same as last year. But this analysis ignores the fact that \$600 million was appropriated for the Alliance for Progress in May 1961, and that that appropriation was effectively available during fiscal year 1962. That \$600 million appropriation contained loan assistance for \$494 million—\$394 million went to the Inter-American Development Bank for administration on behalf of the United States in a special trust fund and \$100 million went to Chile. Thus, the total available in fiscal year 1962 was really much larger than the amount which we are being asked to appropriate today by about \$400 million.

Furthermore, the authorizing legislation contemplated that a larger amount would be needed for the development loan program when it got underway. The authorization for fiscal year 1962 was \$1.2 billion, but thereafter for fiscal year 1963 to fiscal year 1966 the authorized amount was \$1.5 billion. The Alliance for Progress legislation has now been consolidated in the Foreign Assistance Act, so those funds which were formerly appropriated separately must be taken into account if a comparison is to be accurate.

I do not find that the administration of this lending program has been criticized in any way that would justify the very large cut in funds. Objections have been raised that the amounts of committed but unexpended funds have risen. However, the cause of this rise is quite clear when the figures are subjected to a rigorous analysis. This rise is the inevitable result of the shift in emphasis from grant assistance to long-term loans repayable in dollars. Grants can generally be expended fairly quickly. And, in fact, the pipeline in grant assistance has declined. Loans for major capital projects extend over a number of years and can be prudently expended only if spent over a similar time.

There has been a significant increase in the lending program over the past few years. But any program that increases rapidly in size causes a similar increase in unexpended balances. For example, the civilian space program's unexpended balances have tripled in the last 2 years. The aid agency estimates that by the next fiscal year, fiscal year 1964, the new development program will be well underway, and it is estimated

that the unexpended balances will level off and begin a downward trend.

But in any event, it appears to me that a policy of emphasizing loans cannot equitably be established, and then, as soon as it has begun, have it cut off because of the inevitable rise in unexpended funds.

I believe that the loan program should be the heart of the foreign economic assistance effort. The only way that it can so remain is to appropriate adequate funds so that it may operate effectively. It is of interest to note that this program has practically no effect upon the Nation's balance-of-payments problem. In the area of the world which has by far the largest amount of development loans—the Near East and south Asia region—testimony before the committee—page 257, volume 3—indicated that 93 percent of the total program for that area would be spent in the United States.

One final point. The development loan program is essential in order to achieve the largest amount of assistance from our industrialized allies. The significant assistance which the United States has rendered to the underdeveloped countries has been instrumental in obtaining a larger amount of assistance from others. The results of our example and efforts to obtain a larger measure of assistance from those whom we have aided in the past are now becoming apparent. In 1961, official assistance by other industrialized free world countries rose by almost 24 percent over 1960, whereas official assistance from the United States rose about 21 percent. Furthermore, the terms of assistance by other countries have been improving: in 1961 aid grants and loans over 20 years in duration rose as fast in the other industrialized nations as they have for the United States. We should attempt to obtain larger contributions for assistance by others, but one of the main ways that this can be achieved is through provision of adequate funds for development lending.

In closing, I would like to state that I believe that the development loans are central to an effective aid program. I trust that the other body will restore at least \$200 million in the cut made here in development lending.

I am grateful to the members of the subcommittee as well as to the membership of the full House Committee on Appropriations for having inserted the \$2.8 million in foreign currencies for the American research hospital for children in Krakow, Poland.

I am also grateful for their accession to my request to insert section 106 which is now to be found at page 6 of this bill, with regard to discrimination against American citizens because of their race or religion.

I trust that when this bill reaches the other body certain restorations of funds in many of the items will be approved. I fully agree with Secretary of State Dean Rusk's warning that more countries might follow Cuba behind the Iron Curtain if the cuts in this bill were allowed to stand. This is not the time to make drastic cuts in our foreign aid program.

(Mr. ROONEY asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I want to concur with the distinguished gentleman from Arizona, a member of our subcommittee, and also to disagree with him.

I agree with him in everything he said concerning our distinguished chairman. I do not believe any Member has ever brought any bill to the floor of this House that has been more thoroughly prepared, or any Member has ever been more familiar with his bill and the subject matter with which it deals than the chairman of this subcommittee.

We have held hearings on this bill for months. He has peered into every avenue of expenditure, he has queried witnesses with great ability, he has brought out facts that this House should have in order to pass intelligently upon the legislation, and he has been eminently fair, in my judgment, in working with the committee in an effort to bring before this House a satisfactory bill.

I disagree with my friend from Arizona, in that I shall support this bill. The reason I shall support it is because I consider foreign aid a very vital part of our national defense.

Mr. Chairman, I have never talked to a military official who did not say that the periphery of islands from Alaska to Japan to Korea to Okinawa to Formosa and to the Philippines is absolutely essential to the protection of the United States of America. They are essential for two reasons. In the first place, as long as they remain under the control of our allies and friends they can be used as bases from which we can attack the enemy in an emergency. In the hands of the Communists, on the other hand, they could be used as bases for an attack on the United States of America.

Korea has ample manpower, but they do not have the means of equipping their army; consequently, if we want them to protect their own island, we must furnish them the necessary equipment.

The same is true with the forces of Chiang Kai-shek on Formosa. I can tell you it is far cheaper for us to help equip and maintain those armies than it is for us to send our boys over there to protect them, and they must be protected. The amount that the Korean and the Chinese soldier is paid would not buy cigarettes for the members of our Armed Services. By equipping those armies to defend those islands we have saved billions of dollars in the last few years, because had we sent our own troops it would have cost us many billions of dollars more than we have spent on foreign aid.

On the other hand, I recognize there are imperfections—serious imperfections—in our foreign-aid program. I do not like the ship for Haile Selassie, and I do not like many of the other things that have been brought to light on this floor; but let me say if it had not been for the astuteness and the inquisitive nature of our chairman they may not have

been brought before us. He has discovered these abuses and he has brought them before the House. I think a great many of them are going to be corrected in the future.

We have unquestionably spent more money on this program than has been required.

Mr. Chairman, as I stated just a short time ago in paying tribute to my good friend, the gentleman from New York [Mr. TABER], I have been associated with this program since its inception, and we have been fighting inefficiency and waste every year. This cut in the foreign-aid program is nothing new. We have cut it every year, and every year we have been told that we were wrecking the program. Well, now, we have wrecked it about 10 or 15 times, but it is still going stronger today than ever before.

Mr. Chairman, permit me to say that we have made some deep cuts. We have done so because we believe that they are justified. We believe that there is waste in the program. But I feel that our subcommittee under the able leadership of our chairman, the gentleman from Louisiana [Mr. PASSMAN] has brought to the House a fair, just, reasonable, and sane bill. I believe that we can carry on an adequate program of foreign aid under it. I believe, Mr. Chairman, for that reason, the bill should be approved by this House. I shall vote for it as a part of the national defense program of the United States.

(Mr. GARY asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, I can well concur with the gentleman from Virginia [Mr. GARY] in his remarks of a few moments ago when he talked about the necessity of military aid. I went along for 7 years with this bill in the interest of defense in the hope that it would get down to the point of just some technical aid and any necessary military aid we needed with some countries such as Formosa, and a few others. I believed we could handle our military obligations abroad much better in that way than putting more men in our own military forces. But unfortunately after 7 long years of going along with this I found that I was getting nowhere. Now we are continuing to appropriate and mispend billions of the taxpayers' dollars. So, 3 years ago I was forced to start voting against this legislation.

Mr. Chairman, I want to pay my compliments to the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN]. I think the gentleman has done an extraordinary job. As a matter of fact, the gentleman has done such a good job these last 3 years, it was he who practically convinced me to vote against this legislation any more, and I think he is entirely right.

Mr. Chairman, one of the things that we as Members of Congress must come to realize is that we are no longer a separate and equal branch of the Federal Government, but a subsidiary of the ex-

ecutive branch of Government. I resent the fact that the administration is operating as a lobby and has appointed and employed a great propaganda bureau down at the White House, as well as in other branches of the administration. Of course, I admit that this is not entirely new. But it certainly has pyramidized to a tremendous extent.

Mr. Chairman, I received a telephone call yesterday afternoon while I was on the floor of the House from the International Development Corporation, one of the recipients of these funds. I would like to know what right the man had representing that corporation to call me as a Member of Congress and ask me to vote for this legislation. I told him so; that it was none of his business how I was going to vote; that I was going to vote as a responsible Member of Congress, and that he ought to keep his nose out of our affairs.

I might go one step further and say this with respect to how we are operating today. I have some bills and resolutions in committees and when I ask for the promotion of those bills what do you think I am told, as others are told? In one particular committee the answer I get each year is, "The State Department opposes it," so it does not go on the agenda.

Is this a legislative body? Is this Congress responsible and responsive to the citizens of this country? Or are we just again an adjunct of the executive branch of the Government?

Mr. Chairman, I am distressed. I am distressed because we are going through tragic times, and when this body should assume and assert its responsibility we are abrogating our responsibility by bowing to the demands of the executive branch of the Government, which does not know half as much about what is going on in the world today as do Members sitting in this House today.

So I say to you, when we discuss the outflow of gold, it is denied by the executive branch of the Government that this is happening. And yet it is not strange that they are not worried about the outflow of gold. I call the attention of my good friend from Arizona to this, because members of the executive branch of the Government do not believe that a gold supply is necessary to back up the currency of the United States. They have said this and they take this position. So our outflow of gold means little or nothing to them.

Mr. Chairman, I would like to support some military aid in this bill. I would like to support some technical assistance in this bill. But I can no longer vote for \$3 or \$4 billion a year that must be borrowed at the taxpayers' expense, when there is not a single dime in the Treasury of the United States. I say it is immoral for Congress to vote to give away \$3 or \$4 or \$5 billion to foreign countries when we have to borrow this money and put the debt on the backs of generations 50 or 100 years from now.

(Mr. BECKER asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. LAIRD].

**Mr. LAIRD.** Mr. Chairman, the gentleman from Arizona [Mr. RHODES] in his remarks a few moments ago pointed out several areas of waste and misuse of taxpayers' dollars in this foreign aid appropriation bill. I would like to comment on other waste in appropriation bills. I am particularly interested in the Labor Department and Health, Education, and Welfare appropriation bill which passed this House just a month ago.

Today every Member of Congress received a 3-foot wire. This wire contained 520 words. It was addressed by the Secretary of Health, Education, and Welfare to every Member of Congress soliciting his support and his vote for the conference committee report on H.R. 8900. This is a direct violation of title 18 of the United States Code, section 1913, which prohibits the use of appropriated funds by departments of the executive branch for influencing legislation. When we go back into the House I shall insert in the RECORD title 18 of the United States Code, section 1913.

In checking earlier today with Western Union it was found that this wire which was delivered to all of our offices last night would cost, at straight Western Union wire rates, \$12,800. Western Union stated earlier today that this wire had been sent under regular rates. Evidently a hurried conference was called and negotiations were carried on this morning in which the wire rate has been renegotiated by the Department of Health, Education, and Welfare and Western Union to bill the Department at night letter book rates. The taxpayers are going to pay now \$3,562 for this wire. This, it seems to me, is a lot of money to deliver a message a distance of two blocks to our offices here on Capitol Hill.

It amounts to over \$1,700 a block. The message could have been delivered by the HEW messenger service at a cost of less than \$47.

It just seems to me that the people in charge of the executive branch of our Government, once appropriations are made available by this Congress, should have a higher regard for the taxpayers of the United States. This is indeed another example of waste of tax dollars.

Mr. Chairman, I have served on the Appropriations Committee since the Department of Health, Education, and Welfare was created. I have a sincere interest in the Department's welfare and believe the new Secretary and the Department have let me down as the ranking minority member of their Appropriations Subcommittee. They have abused the trust of our committee, the Congress, and the American taxpayer.

**Mr. PASSMAN.** Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from North Carolina [Mr. ALEXANDER].

(Mr. ALEXANDER asked and was given permission to revise and extend his remarks.)

**Mr. ALEXANDER.** Mr. Chairman, before I begin my discussion of this bill, I should like to commend every member of this subcommittee on the diligence

and great effort they have displayed in preparing this bill for presentation to the House. They have worked many, many hours, particularly the chairman. Before the deliberations on the mark-up of this bill began, every member of our subcommittee commanded our distinguished chairman, the gentleman from Louisiana [Mr. PASSMAN], particularly after certain remarks had come out in certain magazines in regard to him. I just felt that the Members of this House would like to know that the members of the subcommittee feel that our chairman is very fair, and that he did a good job.

**Mr. HORAN.** Mr. Chairman, will the gentleman yield?

**Mr. ALEXANDER.** I yield to the gentleman from Washington.

**Mr. HORAN.** May I say as a member of the full Committee on Appropriations that that high opinion of the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN], is not restricted to the members of the subcommittee of which he is chairman.

**Mr. ALEXANDER.** I thank the gentleman very much.

Mr. Chairman, today's request for a foreign aid appropriation by the 87th Congress comes before us at a time when political instability, social injustice, and economic chaos characterize our disordered world more than ever before. Surely, we, as Members of Congress and as citizens of the wealthiest and most bountiful Nation in the world, fully realize that our actions here today will profoundly, and perhaps lastingly, affect both international order and our own national security. To act in an uninformed and unintelligent manner would not only ill become the Members of the distinguished body but would also stand in the future as a tragic monument to deficient and imperfect collective judgment.

Again this year, as in past years, I have been privileged to serve on the Foreign Operations Subcommittee of the House Committee on Appropriations. This year we held more extensive and far-reaching hearings than ever before on the foreign assistance proposals now before the House. After intently listening to a vast, impressive array of expert witnesses, and after carefully restudying testimony, facts and figures, I am compelled to say that I cannot in good conscience support the exorbitant appropriation presently requested. My decision is based on a past history of waste and inefficiency which has characterized our foreign aid programs. A brief look at the past will, I believe, substantiate my judgments.

Our foreign aid program, as you all know, began after World War II with an attempt to save the economically prostrate countries of Western Europe in order that they might resume trade with us and remain effective allies in the fight against international communism.

The so-called Marshall plan unquestionably saved Western Europe from Communist domination and, in my estimation, represents our most notable and singularly successful foreign aid accom-

plishment. Other successes of our foreign assistance, though less spectacular, may certainly be cited.

When our total foreign aid efforts are closely scrutinized, however, the overabundance of failure cannot, and should not, be ignored. In view of the billions expended on foreign aid in the last 17 years the dearth of positive and lasting achievement surely furnishes sufficient cause for reflection and reexamination.

Since World War II the United States has invested \$101 billion in foreign aid in more than 84 countries. Our total outlay certainly overshadows the comparatively insignificant \$3 billion spent by the U.S.S.R. on foreign aid. I cannot candidly say to you or to my constituents, however, that our results have been 34 times as good, or even equally as good as Russia's.

For over 15 years we have pumped American tax dollars into the pockets of the wealthy while the intended recipients of our aid continue to languish in squalor and poverty. Time and time again we have witnessed the expropriation of American citizens' property without adequate and fair compensation by those who so readily partake of our benevolence. Too often our aid has supported and subsidized Communist nations even though their leaders openly state that they will "stand shoulder to shoulder with the Soviet people" in the desire for victory "over the enemies of socialism" and even though international communism remains dedicated to the complete destruction of our way of life. By thus securing Communist control through financial, and even military, assistance, our foreign aid has not really helped freedom-loving peoples but, rather, has enslaved them.

We have allowed over \$57 billion of our aid to go to alleged "neutrals" who want our money but who refuse to acknowledge even nominal friendship and who certainly fail to act like friends. Our foreign aid, supported in part by near prohibitive income and profits taxes on American industry, has given much of the world our most modern equipment and know-how, thus destroying our markets and undermining the American enterprise that makes possible much of the big foreign giveaway.

On more than one occasion we have borne witness to the grant of foreign aid only to see it return to our shores almost immediately to purchase a portion of our dwindling national gold supply.

I honestly say to you that I am unable to justify an appropriation of my constituents' hard-earned tax dollars to pay for a luxury ship for the millionaire Emperor Haile Selassie, or to finance a power project and aluminum plant for the ruthless champion of African tyranny, Kwame Nkrumah, or to forward funds to Cuba through the United Nations.

I refuse to be convinced that Iran needs a truck for each 18 men, or that each Cambodian soldier can even carry, much less need, the two U.S. rifles we sent him. Foreign aid spending is seldom adequately justified to the Congress or to its committees, and time and time

again funds needed exceed amounts estimated and requested.

In short, we have year after year seen incomprehensible sums of money appropriated for a foreign aid program perpetually characterized by poor planning, faulty management, and meager results.

As any reasonable person would surmise, such maladministration and the resulting gigantic waste have not been without repercussions on the national front. Here, taxes have risen; unemployment remains high; depressed areas require assistance; exports have diminished; the gold plight continues to be dangerous; our balance of payments position remains perilous; and the national debt, already greater than those of all other nations combined, plunges to new depths. All these problems are inextricably bound up in our excessive foreign aid spending and press immediately upon the collective conscience and pocketbook of the people whom we represent.

I fully realize that isolation represents an outdated and inadequate solution to world problems, and I do not advocate abdication of our responsibilities to oversea nations. In fairness to the American taxpayers who elect us, however, I must say that we in the United States have been neither indifferent nor ungenerous toward the unfortunate and oppressed people of the world. I am of the opinion we have been too generous and thereby have promoted fiscal irresponsibility in the donor's domain as well as among the recipients around the globe. The State Department would do well to heed the admonition of Calvin Coolidge. The former President wisely said:

Nothing is easier than the expenditure of public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody.

Gentlemen, we in the Congress must take swift and certain steps to halt our dangerous obsession with spending. It is our solemn duty to restore the still-valid but seldom-used words "thrift" and "frugality" to our national vocabulary before America dissipates its entire national wealth and forever dashes mankind's noblest hopes and aspirations on the rocks of economic destruction.

Mr. Chairman, and distinguished colleagues, I implore you to join me in taking two forthright and decisive steps toward meeting our foreign aid dilemma.

First, and foremost, let us realistically cut our foreign assistance appropriation. We must face squarely and practically the fact that the U.S. Treasury is no cornucopia, no bottomless pit of wealth and plenty.

We must acknowledge the fundamental and sobering reality that more money appropriated does not automatically mean more effective foreign assistance. We must realize that much of our appropriated foreign aid funds are spent under conditions for which there is no constitutional mandate. We must not ignore the obvious fact that our allies are not shouldering a fair share of the foreign aid burden.

Let us work toward lessening our balance of payments problem, arresting the

gold flight, changing our budget deficit to a surplus, and strengthening confidence in the dollar.

In short, let us willingly accept as our primary goal the restoration and maintenance of a strong U.S. economy; for America can be the salvation of the free world only if America has the necessary strength to save herself. The first step, then, requires us to shift from a policy of limitless aid to one of limited aid.

After making measurable and orderly cuts and after setting our sights on realistic and limited objectives, we must take the second and equally important step of seeing that our limited foreign aid funds are administered properly and in accord with congressional intent. Not only must we be precise in what we seek to do, but we must also realize that mere beneficent intent on our part will not improve the inefficient and often corrupt bureaucratic state of the underdeveloped nations.

Our loans and grants fail as substitutes for internal effort and initiative. If we are to pursue a realistic course of foreign assistance we must make our aid contingent upon swift and adequate internal reform by recipients. We in the Congress must realize that if our foreign aid programs are to be effective in the long run, they must be granted only on the basis of sound planning and fully justified, constructive programs and projects.

The second step, then, requires that we secure a return on our foreign aid investment which is commensurate with the expenditure of our constituents' tax dollar.

In summary, I simply repeat that our past foreign aid record leaves much to be desired and that under the compelling circumstances of our time, we must this day cut the requested appropriation and then concentrate our efforts on effective administration of the smaller sum. Any lesser action would, in my opinion, be a breach of our duty to our people and our country.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONTE].

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, I rise in support of the foreign assistance program, administered under the Foreign Assistance Act. This aid program has been a vital tool in our foreign policy kit for a number of years. I do not need to remind this House that the foreign aid program has actually saved Europe from the threat of international communism through the Marshall plan; that it has supported defense forces with both military hardware and economic assistance, from Korea to Norway; that it has shored up free world defenses all along the south flank of the Sino-Soviet bloc; and that it has provided development assistance which has achieved significant economic progress in such countries as India, Pakistan, Israel, Greece, and free China.

Sometimes critics of the program claim that no progress has been made.

I should like to point out a few achievements of this bipartisan program which are sometimes forgotten. After World War II, there was considerable guerrilla activity in the Philippines. This foreign aid program helped stamp out that great danger to the internal security and stability of that stalwart ally of the United States. The aid program helped support the peacekeeping activities of the United Nations Emergency Force in the Near East. We tend to forget that an explosive situation existed in the Near East only 4 years ago. The use of the United Nations Emergency Force has been a vital factor in keeping the peace in that area—even though the balance may be a precarious one.

The rapid economic evolution in Spain has been aided tremendously by American aid. The Spanish gross national product has in fact been rising at an annual rate of 10 percent since the beginning of significant U.S. economic assistance.

A number of countries in which we have had major economic programs have made remarkable advances in their industrialization. Even though they have started from a low industrial base, the forward strides made by such countries as Taiwan, India, and Israel have been impressive. In Taiwan and Israel, industrial production over the last half dozen years has increased about 80 percent. In India—that giant in which one-third of the population of the free world lives—industrial production has increased 33 percent in the last 4 years. Each of these countries has received significant amounts of aid from the United States and they have used it effectively.

In terms of statistics, there are many examples of real success that can be cited. For example, in 1957 technicians from Georgetown University began a literacy program among young men in Turkey. Literally hundred of thousands of Turkish men can now read and write as a result of this program. Under the Latin American program—started under the Eisenhower administration and carried forward under the present administration—it is estimated that by the end of fiscal year 1963 direct benefits to some 35 million people will have been given. Mr. Moscoso, the Coordinator of the Alliance for Progress, has estimated that in the 2 years between the beginning of fiscal year 1962 and the end of fiscal year 1963, about 170,000 houses will have been built, 15,000 miles of roads will have been built and maintained, 17,000 classrooms will have been built, 360 hospitals and health centers completed, and 620 portable water supply systems constructed.

These accomplishments of the foreign aid program in real terms often are forgotten. But the question before us is not whether or not we are going to have a foreign aid program—it is whether or not we will have an effective program. The real question is whether we will provide sufficient funds so that the Agency for International Development can pursue the foreign policy objectives of the United States. We should not determine whether the Agency can "live with" the amount recommended for appropriation. It is possible to live without func-

tioning, and even more possible to function without accomplishing anything.

I believe that many of the cuts reported by the House Appropriations Committee were fully warranted by the testimony presented to our subcommittee. In many cases I believe that the funds which are recommended for appropriation will be fully adequate to carry out the purposes of the foreign aid program in an effective manner.

But in several vital categories I believe that the amounts recommended by the Committee on Appropriations are inadequate. It is true that AID will not be put out of business because of the recommended cuts; it will continue to exist. But in at least two categories—and I believe these categories are vital to the entire program and indeed to the foreign policy of the United States—the program will function only partially and can achieve only limited results. In development lending and supporting assistance I believe that the appropriations recommended by the full committee are insufficient to meet the foreign policy requirements of the United States as a leader on the world scene.

To be candid, I am not entirely satisfied with the aid program, even though a number of improvements have been made. At the same time, it is a vital program. In order for it to serve more effectively the historic purposes for which it is designed it needs to be strengthened, not weakened. It needs to be further improved, not cut back.

In the case of development lending and supporting assistance, I believe that the program will be significantly weakened if the cuts are sustained. These are two of the most essential parts of the aid program.

In size and importance, development loans are the heart of the matter. If the recommended cut of almost 40 percent in development loans is sustained, the aid program will be brought virtually to a standstill.

Almost the entire amount allowed by the committee for loans—\$775 million—is already committed to long-range projects in India, Pakistan, Nigeria, Tanganyika, and Tunisia. Pending projects in such countries as Turkey, Iran, Formosa, Thailand, Israel, Greece, and the Sudan will have to be postponed or abandoned.

In the case of Greece, Turkey, and Iran, this would undercut the attempt to shift from grants to loans in these countries.

Perhaps even a more basic question arises out of the heavy cut in loan funds from the appropriations requested by the executive branch. Last year the executive branch requested that development lending be financed by back-door financing. I vigorously criticized this request, and I did so on the ground that I believed that the Appropriations Committee would act responsibly in meeting lending requests of the executive branch. Last year's record was, I believe, a good one and bore out that belief. We were requested to appropriate \$1,200 million for development lending. The House Appropriations Committee recommended a reduction of 15 percent from the executive branch's request.

I listened to the testimony of the executive branch on the use of these loan funds. Nowhere in the testimony did I discover any misuse of the development lending funds nor failure of AID to do a creditable job. The need for these funds is clear—only a few millions of dollars—less than 1 percent—were uncommitted at the end of fiscal year 1962. The committee's report does not criticize the conduct of the loan program.

The committee report's only possible implied criticism of the loan program stems from the increase of the "pipeline" of funds which have been obligated or committed but not expended.

I have reviewed these "pipeline" figures and it is quite clear that the increase stems from the development lending program. In fact nonlending economic programs—grant assistance—has actually had a decrease in the "pipeline."

The congressional approval of the shift from grants to long-term loans repayable in dollars carries with it the responsibility for an increase in the "pipeline." I would urge the Agency for International Development to keep a close watch upon its committed funds which have not yet been expended. But I do not believe that we can penalize the aid Agency by cutting its funds because of large unexpended balances when the Congress participated in the decision to shift the emphasis of the economic program to long-term development loans.

The large cut in the recommended appropriation for development lending raises a very real question as to whether or not the House is reversing a policy decision to emphasize loans. If we again return to a policy of making large cuts in lending funds requested by the executive branch, I believe that we may lay ourselves open to a charge that last year we applied the lowest cut ever made in loan funds only to avoid back-door financing.

Supposedly, the cuts in loans are being made to save money. It is strange, to say the least, to pick on the one part of the aid program which loans money, rather than giving it away.

All of us want the aid program to encourage others to stand on their own two feet. We want to get our money back in dollars, rather than accumulating vast amounts of soft currencies. We want to keep the aid program from hurting our balance of payments by granting dollars which never come home. These are among the reasons we switched from grants to loans, and from local currency repayment to dollars. These are the reasons why it makes sense to place the main emphasis on development loans.

For these reasons, I believe that a portion of the cut in development lending should be restored.

I would now like to turn to another vital instrument of our foreign policy—supporting assistance. The House Appropriations Committee recommended a cut of \$65 million from the authorized amount for supporting assistance of \$415 million. I would like to point out that although this cut is only about 15 per-

cent from the amount requested for appropriations for supporting assistance, it is in reality a cut of about 28 percent from the amount requested by the President; \$481.5 million was requested for supporting assistance programs for fiscal year 1963. Of this total about three-fourths was programmed for use in three countries vital to the security of the United States: Vietnam, Korea, and Turkey. Each of these countries is severely threatened by Sino-Soviet aggression. But these countries also are indispensable to the national security of the United States. They are key countries in our own defense system. Because these three countries used the bulk of supporting assistance, it would appear clear that significant reductions in the supporting assistance category would have to be taken out of their proposed programs. I cannot understand how we can afford to run the risk of providing too little money to countries on the frontlines of our defense. Although I believe that we should cut the amount of grant assistance that we give to other countries, action that is too hasty will turn out to be false economy.

The balance of the funds are proposed for use in other countries which are also vital to the national security of the United States. These funds are used in some countries to support American bases which we have in those countries. In other countries supporting assistance is used to provide an alternative to complete domination by the Communists. Without supporting assistance to a country such as Jordan it is possible that chaos might result. The precarious stability of the near East depends to a large extent upon the supporting assistance given to that country.

The amount of appropriations for supporting assistance needs has been reduced significantly over the past several years. In fiscal year 1961 approximately \$800 million have been appropriated for comparable purposes. This amount has been reduced to a request for \$415 million for fiscal year 1963, but if this category is reduced too quickly the national security of the United States is in danger. I for one do not wish to run the inestimable risks of losing Vietnam, of inviting Sino-Soviet aggression in Korea or of giving Turkey inadequate support in return for performing a vital military defense function. In supporting assistance there must be a margin of safety. The cut of \$61 million in this category eliminates this margin.

In closing I wish to reiterate what I believe to be the accomplishments of the foreign-aid program; it has contributed directly and substantially to the defense of the free world; it has aided greatly in producing real economic progress in many countries; it has provided a significant element of stability in countries all over the globe, and it has started the progress of many countries toward freedom and independence.

A little more than a year ago, during the course of our debate on the Foreign Assistance and Related Agencies Appropriation Act, 1962, I spoke for 15 minutes in support of the need for ade-

quate funds to promote those objectives of the United States which depend for their attainment on implementation of the programs we are again discussing today. I was then, as now, particularly concerned lest the amount appropriated for fiscal year 1962 military assistance program be insufficient to protect our investment and our vital security interest in free world common defense. I pointed out that, in the light of the crises confronting us at that time, I could see no justification whatsoever for the proposed reduction of \$400 million; and I urged the restoration of the funds so vitally needed for our allies throughout the world to meet those crises.

Certainly there is nothing in the world situation today to indicate any change for the better which might incline me to change my position as to the immediate and urgent importance of an adequately funded military assistance program for the current fiscal year. What change there has been, has been for the worse; and the Communist threat to the external and internal security of the free world is not only greater than ever, but is taking new and even more insidious forms. The intensification and proliferation of that threat points clearly and directly to the need for continued support by the United States of the self and common defense efforts of beleaguered nations in every part of the globe. Such support, in the form of military assistance equipment, training and related services, is absolutely essential not only to the protection of their territorial integrity and/or internal security, but also to our own national interest in the collective security of the free world. The loss of any one of those threatened countries to international communism would represent both a triumphant addition to the total strength of the Sino-Soviet bloc and a dangerous deduction from the morale and the material might of the non-Communist alliance.

Because we cannot afford any such deduction, it follows inevitably that we can no better afford a reduction in appropriations which will, with equal inevitability, prevent optimum use of one of our most effective means of preventing it. That means is the military assistance program—a unique and time-tested instrument of U.S. foreign and strategic policy in the conduct of the cold war. No other instrument available to us makes a greater contribution to the accomplishment of our own forward strategy of keeping the frontline of free world defense as far as possible away from the shores of the United States.

The dulling impact on that instrument of the proposed cut is readily apparent in light of the fact that \$962 million or roughly 65 percent of the appropriation requested is for force maintenance—funds necessary to preserve the status quo by maintaining equipment in being and to meet fixed charges. Only the remaining \$538 million, plus whatever recoupments can be effected, will be available for force improvement. This is the money which will buy such things

as rifles, rocket launchers, missiles and armored vehicles to fill shortages in combat units, and will purchase modern jet fighters to replace existing aircraft of Korean war vintage. Thus a cut of \$200 million in the military assistance appropriation would be a significant reduction in funds available for any real improvement in the quantity and quality of allied forces. The Soviets are not content merely to maintain the forces that oppose us, but are engaged in a concerted program of modernization not only for their own forces, but also for those receiving Soviet aid. How can we, on the free world side, take the risk of failing to meet that challenge?

Every dollar we appropriate for military assistance will strengthen the capabilities of local forces in allied and friendly countries which are helping us man the frontiers of freedom and bolster the morale of nations willing, in the face of vociferous Communist threats, to make available to us bases and facilities we need for maximum effective deployment of our own military strength. The vital importance of those forces and that cooperation has been testified to repeatedly by all of our most experienced and senior officers in every branch of service. The Joint Chiefs of Staff have unanimously declared that they would not want a single dollar added to the budgets of their own departments if that dollar had to come out of the military assistance program. The Secretary of Defense has stated that he has personally reviewed the proposed fiscal year 1963 program, and that he fully endorses the real need for appropriation of the amount requested by the executive branch.

I, for one, would not dare discount the considered opinions of these men to whom we entrust our national defense—these men whose only motive is to insure the security of our Nation. If, on the basis of their intimate and professional knowledge of the military requirements of free world common defense, they are convinced that inadequate appropriations for military assistance will jeopardize that security, I am willing to take their word for it. In fact, I would consider myself delinquent in my duty if I were to put economy before security—fiscal quibbling before national interest. I shall therefore vote for the appropriation recommended by the committee for the fiscal year 1963 military assistance program, and I urge you to do the same.

I have read with great concern the statements about the Inter-American Development Bank appearing in the report of the Committee on Appropriations on the foreign aid and related agencies appropriation bill, 1963. If left unanswered, these observations would be likely to cause serious misunderstanding on the part of our friends in Latin America, who rightly regard the Bank as a vital element in the Alliance for Progress.

The Bank is a cooperative international agency of which all the countries of Latin America, except Cuba, are members. The monetary contribution of the Latin American countries to the Bank was very substantial, being \$139,000,000 in gold or dollars, and an equal amount

in local currency, as compared with a total contribution on the part of the United States of \$250 million. It is contemplated that substantial additional funds for lending will be raised by the floating of securities in the markets of the United States and other capital exporting countries on the basis of the Bank's callable capital, to which the United States has subscribed \$200 million and the other member countries \$231,580,000.

In order for the Bank to issue securities successfully, it must enjoy the confidence of the financial community, which I am happy to say has been strongly manifested by two important facts, first, that the Bank has sold, without guarantee, 105 participations, totaling \$7,013,142, in its loans to 29 banks in the United States and 7 in Europe, and secondly, that the Bank has already floated an issue of bonds in Italy equivalent to \$24,200,000. This reception of the Bank's securities in world financial markets is a striking testimony of the soundness and care with which the Bank is being administered by its management and Board of Executive Directors.

One of the important responsibilities placed on the Bank by the member countries is to stimulate, through contact with sources of private and public capital in Western Europe, an increased interest in Latin American development and to stimulate an increased flow of capital from Europe to Latin America. At the Bogotá Conference in September 1960, the Bank was specially requested to assume this responsibility, which is of course of great interest and benefit to the United States in alleviating some of the need for the outflow of development capital from this country. The request to the Bank was reaffirmed by its Board of Governors at its annual meeting in Rio de Janeiro in April 1961 and the mission to which the committee report refers was thereafter undertaken. The mission visited major financial centers in seven European countries and by reason of intensive advance preparation was able to meet with a very large number of government and private financial authorities. The favorable results of the mission are reflected in the participations and bond issue to which I have referred, and are being further evidenced in negotiations which are actively underway for additional participations and eventual bond issues in Europe. In view of the nature of the mission, its intensive work, and impressive accomplishments, I do not consider that the expenses were at all unreasonable.

Although the Bank has held only two annual meetings of its Board of Governors, they have already become a focal point for the review and implementation of national and international development financing in Latin America. The meetings are attended not only by officials of the member countries but by senior representatives of the major private banking and financial institutions of this hemisphere and of Europe. They have thus become a recognized forum for responsible financial thinking about the development problems of Latin America. With respect to Latin Amer-

ica, the meetings fulfill the same general purpose that the annual meetings of International Bank for Reconstruction and Development serve on a worldwide basis and the arrangements and expenses are comparable, in proportion to the respective sizes of the two institutions.

With regard to the finances of the Inter-American Development Bank in general, it should be borne in mind that the Latin American countries are contributing very heavily to the expenses through the investment of the funds derived from the portion of their subscriptions payable in gold or dollars. With the income from these funds and from the funds contributed by the United States, the Bank, by prudent management of its expenses, has been able to show a modest net profit in each of the 2 years of operation which have been completed. As was stated in the hearings on the appropriation, the decision to make the initial payment of a portion of the U.S. subscription to the Bank in cash rather than to issue noninterest bearing notes was taken after consultation with congressional leaders and was based upon the interest of the United States in placing the Bank's operation on a sound financial basis from the outset, thus laying the groundwork for satisfactory and successful operations in the future. As was also indicated in the hearings, it is clear that the Secretary of the Treasury will in the future utilize non-interest-bearing notes to the extent consistent with this principle, but I think it would have been most unfortunate if the Bank had been forced to operate at a deficit in its early years for lack of funds which could be invested to provide it with operating income.

In short, Mr. Speaker, I believe that the Bank is being soundly and efficiently operated and merits full confidence as a vital agency of the Alliance for Progress.

#### HOUSE REPORT 2410

On page 25 of House Report 2410, September 18, 1962, there is noted what appear to be examples of extravagant over-programming in MAP. However, there is a perfectly logical explanation for each "1½ rifles per man."

The presentation book did show an active military force of 38,000 men in this country and that a total of 45,548 rifles and carbines had been programmed under MAP. What the book did not show—and the detail can never be 100 percent complete—was that in 1961, in response to a special request from this friendly government, 11,000 carbines were furnished under MAP to partially arm two paramilitary groups—a rudimentary national guard and a village militia—for combating Communist guerrillas in outlying areas. These latter forces number approximately 50,000. Because they are not part of the regular military establishment and not normally supported by MAP, they are not included in "active military forces" as shown in the congressional document. Deducting these 11,000 weapons from the total number programmed for this country (including

those proposed in fiscal year 1963) still will not total one per man. The ratio of weapons to men in the paramilitary units is far less.

#### TWO RIFLES PER MAN

This accusation is based on an error in the congressional presentation document for the country in question. It showed the total cumulative program included 1,947 rifles, but a MAP supported force of only 1,200 men. This latter figure should have been 2,200 men. This corrected information was provided for the record of March 29, 1962.

#### SHORTAGE OF PILOTS

Information furnished for the record of the March 28, 1962 hearings before the House Appropriations Committee Subcommittee on Foreign Operations did show a shortage of pilots qualified to fly two types of new jet aircraft for the country in question. This information also indicated the fact that the required number of pilots for these aircraft were engaged in the normal transition training from older, slower type planes. As of June 30 of this year, qualified pilots have completed training and been assigned to all these aircraft except one and this remaining shortage will be more than met from the fiscal year 1963 pilot training program.

#### UNJUSTIFIED AIRCRAFT FOR IRAN

This requirement developed after the presentation of the fiscal year 1962 military assistance program to Congress. In a program of this nature and magnitude it is unreasonable to expect that every single item as presented to Congress will actually be programmed, or that new requirements should not be included after a program has been presented to Congress. Congress would be the first to protest such limitations as unwarranted, unjustified, and unworkable. Many significant program changes are always required after congressional appropriation actions.

Prior to fiscal year 1962, the law required that monthly reports be made to Congress regarding program changes subsequent to the congressional presentation. However, section 634d of the Foreign Assistance Act of 1961 only requires an annual report be made to Congress in January of assistance furnished which was "substantially different" from that included in the presentation to Congress.

Mr. TABER. Mr. Chairman, I yield the balance of the time to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. MEADER. Mr. Chairman, will the gentleman from Iowa yield?

Mr. GROSS. Mr. Chairman, I am glad to yield to the gentleman from Michigan.

Mr. MEADER. Mr. Chairman, in opening the debate on this matter, the gentleman from Louisiana [Mr. PASSMAN] referred to a page of the CONGRESSIONAL RECORD, page 10265 of the CONGRESSIONAL RECORD of August 17, 1951, which contained the proceedings relat-

ing to an amendment offered by our then colleague, the gentleman from Massachusetts, Mr. Kennedy.

I asked the gentleman to yield, and he did yield but declined to go into the details of the matter and answer certain questions. So I took the trouble to go and get the RECORD. It is very interesting reading. It is not very long. In the middle of the page there appears the following:

Mr. KENNEDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

"Amendment offered by Mr. Kennedy: 'Page 6, line 12, strike out '\$175 million' and insert '\$140 million'.'"

This was an amendment to reduce the bill by \$25 million, which constituted a rather sizable percentage of the item to which it applied.

Mr. Chairman, the debate was quite interesting because of the statements which the gentleman from Massachusetts made, and which were quoted, in part, by the gentleman from Louisiana [Mr. PASSMAN]. But I think it might also be interesting to those of us who served at that time to know that our former colleague, Mr. JAVITS, now Senator from New York, asked the gentleman from Massachusetts to yield, and Mr. JAVITS said:

I do not think the gentleman fully understands the situation. From this \$175 million is to be deducted the \$100 million which is covered by sections 204, 205.

And so on.

Mr. Kennedy undertook to say that he did understand that that applied to Palestine refugees and so on. Later, Mr. Ribicoff, who at that time was a colleague of ours, undertook to oppose the amendment offered by the gentleman from Massachusetts, and argued strenuously against it. But the amazing thing is that the gentleman from Massachusetts almost was successful in having his amendment adopted. On a division, demanded by Mr. JAVITS, the ayes were 75 and the noes were 85. Then Mr. Kennedy demanded tellers, and on the teller vote he lost by 101 to 141.

So, Mr. Chairman, I might say as has been said on previous occasions, that sometimes strange things happen when a statesman or a politician journeys from one end of Pennsylvania Avenue to the other.

(Mr. MEADER asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and eight Members are present, a quorum.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Iowa yield to me?

Mr. GROSS. Yes, I yield to the gentleman from New York.

Mr. ROONEY. I should like to commend the distinguished gentleman from Michigan [Mr. MEADER]. He has certainly proven that the distinguished gen-

leman from Massachusetts has fully grown in stature, statesmanship and ability. Not all of us have done so.

Mr. GROSS. Mr. Chairman, it also proves that the present President of the United States, a former member of the House, has changed his mind considerably about foreign aid, in view of the outlandish demand he has made that the foreign aid program be increased this year, I will say to the gentleman from New York.

Mr. Chairman, I yield back the balance of my time.

Mr. PASSMAN. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. ROGERS].

(Mr. ROGERS of Florida asked and was given permission to revise and extend his remarks.)

Mr. ROGERS of Florida. Mr. Chairman, America is vitally concerned about the Soviet buildup in Cuba. We are particularly concerned that merchant ships flying the flags of our allies would transport Communist cargoes to Cuba. Allied participation in the Soviet-Cuban buildup amounts to rank hypocrisy.

It has been reported that as many as 105 allied merchant ships have engaged in running cargo to Cuba. Many of these ships are based in the ports of some of our closest allies, including West Germany, Greece, and Italy. Without the aid these nations have provided the Moscow-to-Havana pipeline might have been crimped.

We have extended preliminary diplomatic inquiries to these nations. Though our efforts to discourage this trade have been thus far limited to diplomatic concern, the reaction we have received illustrates the lack of concern some of these nations hold for the Cuban situation. One nation issued the statement that its flagships were not carrying war materiel to Cuba. It comes as little comfort that this same nation is supplying tankers to carry Soviet petroleum. And petroleum is vital to any type of weapons system, defensive or otherwise.

The policy this Nation pursues in the Cuban situation is not clear to many Americans.

Apparently it is not clear to the Soviet mind either. Have the Soviets received any official protest from the United States? Though there has been outcry against the Soviet buildup in Cuba, it has been largely public, much of it coming from the U.S. Congress. To put it simply, no Russian actions are going to be suspended unless clear indication of disapproval is given to them. In this instance, the United States has not given diplomatic notice to Russia that it disapproves of Soviet actions in Cuba be they defensive or otherwise.

And is our policy so misunderstood in other corners of the globe that even our own allies would feel no conscience in capitalizing on Communist traffic?

Mr. Chairman, Cuba has proclaimed its alliance with the Marxist world. Cuba has been transformed into a bona fide Soviet satellite. This fact has registered in the minds of the American people.

Public indignation over the Cuban buildup is reaching an intense crescendo.

Recently the National Maritime Union president, Mr. Joseph Curran, publicly urged the dockworkers of all nations to join his 40,000 member organization in boycotting Cuban-bound cargoes. On September 17, it was reported that the crew of one Italian ship which had been engaged in the buildup refused to sail the vessel, stating that contrary to its manifest, the ship's cargo included explosives. The movement to boycott other shipments is taking hold.

The outcry is heightened with the efforts of the courageous columnist, Mr. Victor Riesel. Mr. Riesel, you may recall, was instrumental in exposing the trade with Cuba which existed prior to the embargo which followed unanimous House passage of my bill to ban such trade. Though Mr. Riesel has written several columns on the current buildup, one of his latest describes conditions similar to that which I just mentioned. The article referred to states that ships from free nations not only run goods to Cuba, but then enter U.S. ports for cargo to deliver on a profitable run to another port elsewhere in the world. Thus, we are unwittingly deceived, and the insult is compounded.

I have just been informed that a West German ship intends to dock in a Texas port after making a call in Cuba. That ship is to be loaded with American grain, and its destination is marked Norway. The grain is supposedly intended for delivery there but a transshipment back to Cuba is suspected. The National Maritime Union informs me that its members refuse to work on the cargo, and that they will picket the shipment.

We can take many avenues of action to combat the Cuban situation. In a speech delivered before the House on September 12, I outlined seven specific points which the United States should adopt as initial steps for action against Castro. One of these points is a halt to allied vessels transporting these cargoes.

I strongly urge that the following steps be taken to halt allied borne traffic to Cuba:

Second. Utilize the provision of the Mutual Security Act which bars U.S. aid from any country which aids Castro.

Second. Bar the use of U.S. ports to any shipping interest participating in the Cuban traffic of goods.

Third. Prohibit shipment of American goods in any bottoms owned by shipping interests participating in the Cuban traffic of goods.

Fourth. Instigate a full scale investigation by the Congress in order that the extent of direct or indirect participation of U.S. shipping interests in the Cuban buildup may be properly determined.

The Congress has already established an appropriate committee for such an investigation. That committee is the Select Committee on Export Control, chaired by the distinguished gentleman from North Carolina, Mr. Paul Kitchin. Certainly the Congress and the American people are entitled to know the full facts in this situation. Particular details should be exposed as to exactly who it is that cooperates with Soviet Russia and Communist Cuba contrary to the in-

terests of the United States and the free world.

Mr. Chairman, the conditions I have just outlined should be dealt with quickly and firmly by the Congress. Firm action to stop this shipping of Communist goods to Cuba will be a decisive blow against communism in this hemisphere. It will also serve to clarify our hemispheric policy—Communists stay out.

Mr. PASSMAN. Mr. Chairman, I yield 4 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. I thank the gentleman.

Mr. Chairman, in considering the matter of our foreign policy I want to call the attention of this House to a resolution that I have introduced today.

We are all aware of the fact that the Cuban situation is a very acute one, but we are also aware of the fact that the Berlin situation is also an acute one. But because Mr. Khrushchev is pressing on the Cuban situation for the moment, our State Department seems to reluctantly agree to the demand for a congressional expression of firmness in dealing with Khrushchev and Castro.

If I understand the President's public utterances correctly, he is more concerned about the Berlin situation than he is the Cuban situation. When we had the Berlin situation up during a previous administration, that is, when one of the many crises developed, I introduced a resolution asking the Congress to go on record as backing the then President of the United States, President Dwight Eisenhower, in his determination not to "budge an inch." This year when the threat of a fourth Berlin crisis arose I again introduced that resolution to back up President Kennedy in his determination not to yield and not to appease on the Berlin situation. But as usual some people in the State Department opposed both resolutions and nothing came of them. So today I have introduced a resolution—I am introducing it now—embodying the resolution passed by the other body, and which I understand will be reported today by the House Committee on Foreign Affairs, on the Cuban situation. I am also incorporating my Berlin resolution in and as a part of the Cuban resolution, which I think should be adopted.

I do not have time to read the resolution. I do not have time to discuss it at length. But what I am saying to you here now is that I can think of no better answer to Mr. Khrushchev, who has said that he is not going to do anything about the Berlin situation until after the elections in this country, I can think of no more opportune time for the Congress of the United States, the representatives of the people of the United States, to speak out on the Berlin situation in answer to Mr. Khrushchev's gratuitous statement that he would wait until after the elections in this country.

I think that this House, notwithstanding the fact that the other body has passed a resolution limiting it to the Cuban situation, should go on record for a firm declaration on Berlin as well; and I feel confident that the other body would accept this as an amendment or sub-

stitute which would take care of both situations.

Moreover, I feel confident that the President himself, would welcome this endorsement of his stand on Berlin.

Mr. Chairman, the amended or substitute resolution which I propose to offer is as follows:

H.J. RES. —

Joint resolution expressing the determination of the United States with respect to the situation in Cuba and in Berlin

Whereas President James Monroe, announcing the Monroe Doctrine in 1823, declared that the United States would consider any attempt on the part of European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety"; and

Whereas in the Rio Treaty of 1947 the parties agreed that "an armed attack by any State against an American State shall be considered as an attack against all the American States, and, consequently, each one of the said contracting parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations"; and

Whereas the Foreign Ministers of the Organization of American States at Punta del Este in January 1962 declared: "The present Government of Cuba has identified itself with the principles of Marxist-Leninist ideology, has established a political, economic, and social system based on that doctrine, and accepts military assistance from extracontinental Communist powers, including even the threat of military intervention in America on the part of the Soviet Union"; and

Whereas the international Communist movement has increasingly extended into Cuba its political, economic, and military sphere of influence; and

Whereas the primary purpose of the United States in its relations with all other nations is and always has been to develop and sustain a just and enduring peace for all; and

Whereas at the conclusion of hostilities in World War II the United States, the Soviet Republic, the United Kingdom, and the Republic of France entered into a solemn and binding covenant that the city of Berlin, Germany, should be and remain under the jurisdiction of the four parties to said agreement, with the right of ingress and egress thereto, until a final and binding peace treaty should be executed between the said Allies on the one hand and the Government representing the German people on the other; and

Whereas there has been no such final peace treaty signed by the parties; and

Whereas the said solemn and binding agreement for the said rights of the parties to said covenant to ingress and egress in the said city are, therefore, still in existence and binding on all parties thereto; and

Whereas the people of the United States of America feel in duty and honor bound to observe and carry out their obligations as one of the signatories to said covenant; and

Whereas the United States Government also is in duty and honor bound to adhere to its obligations to the German Republic and the other members of the North Atlantic Treaty Organization pact; and

Whereas the said Berlin agreement and the North Atlantic Treaty Organization's obligations are now threatened by one of the signatory members of the said Berlin agreement; and

Whereas such threat gravely endangers the peace and security of not only the peoples of the German Republic, as well as the subscribers to the North Atlantic Treaty

Organization pact, but of the peoples of the whole free world; and

Whereas the Congress of the United States, composed of the representatives of and reflecting the will and judgment of the citizens of the United States, are wholeheartedly and unanimously behind the President in his firm declarations of policy to honor the aforesaid commitments: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States is determined—*

(a) to prevent by whatever means may be necessary, including the use of arms, the Marxist-Leninist regime in Cuba from extending, by force or the threat of force, its aggressive or subversive activities to any part of this hemisphere;

(b) to prevent in Cuba the creation or use of an externally supported military capability endangering the security of the United States;

(c) to work with the Organization of American States and with freedom-loving Cubans to support the aspirations of the Cuban people for self-determination; and

(d) to resist to the fullest extent the unilateral proposals of the Soviets to abrogate and nullify the solemn and binding obligations heretofore entered into by the United States, the United Kingdom, the Republic of France, and the Union of Soviet Socialist Republics, to maintain the status quo of the aforesaid city of Berlin pending a final and binding peace treaty.

Mr. PASSMAN. Mr. Chairman, I yield to the gentleman from North Carolina [Mr. BONNER] whatever time he may consume.

Mr. BONNER. Mr. Chairman, with respect to these foreign ships taking cargo to Cuba and then coming into American ports and taking foreign-aid cargoes for transportation that is paid for from moneys in this bill, I have prepared to offer during the reading of the bill for amendment the following amendment:

Page 6, after the comma in line 17, insert "or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose ships are used to transport any military or economic supplies to that regime."

That refers to Cuba, the Communist Cuban regime. I hope the House will support this amendment. This amendment will cure the trouble that has been spoken of here on the floor by the gentleman from Florida as well as others of our colleagues.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. PELLY. I assure the chairman of the Committee on Merchant Marine and Fisheries that I will support his amendment, and after that I intend to offer an amendment which would affect the carrying of military supplies to Cuba by ships of foreign nations.

Mr. BONNER. This will take care of any foreign-flag ships carrying supplies to Cuba, prohibiting them from taking in return American cargoes purchased under this directly or indirectly with respect to the expenses of the transportation or the cargo itself.

Mr. PELLY. That is correct. And I will put in an amendment which would stop the carrying of Soviet military goods to Cuba on vessels of foreign na-

tions. In this case we would cut off all foreign aid to those countries that allow and permit their ships to carry these military supplies.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. GROSS. Why not cut off any kind of aid to the British, Norwegians, and Italians or any other nation providing ships to transport any kind of material to Cuba?

Mr. BONNER. The gentleman knows my record with respect to this legislation.

Mr. SPENCE. Mr. Chairman, in the report of the Appropriations Committee covering appropriations for foreign aid and related agencies, I am pleased to note that the committee recommends the appropriation of \$2 billion to cover the U.S. participation in the special borrowing arrangement of the International Monetary Fund. This arrangement is calculated to provide particular benefits to the United States. The arrangement will provide up to \$4 billion additional resources which may be made available to the United States should the need arise to meet sudden international pressures on the dollar. At the same time, there is little likelihood that the U.S. commitment for which the appropriation is being asked will be called upon, since the Monetary Fund at the present time has an ample supply of dollars to meet requests for drawings by its members and since participants in this arrangement may not be called upon to lend their currencies at times when they are experiencing balance-of-payments problems.

I consider it very unfortunate that the committee recommends limiting the period of availability of the funds to December 31, 1966. All the participating countries understand that the borrowing arrangements are intended to be a continuing part of world payments arrangements. None of them has imposed a time limit on its own participation. These arrangements are strongly in our interest, and imposing a time limit on them might raise doubts—which need not and should not be raised—that the resources will be available to us in the future in case of need.

As chairman of the Banking and Currency Committee, I feel an obligation to inform the House that the subject of a time limitation on these resources was not discussed in the public hearing before our committee. The Secretary of the Treasury informs me that he was not questioned on the subject of a 4-year time limit by the members of the Subcommittee on Foreign Operations of the Appropriations Committee. Therefore, neither the authorizing nor the appropriating committees of the House have explored the harmful implications of this time limit. In my experience in the Congress I have found this to be a dangerous legislative procedure, and I feel that the record should be clear on this point.

However, I am happy to support enactment of the appropriation covering the full \$2 billion commitment of the United States which will bring this ar-

rangement into effect. It is a significant part of the overall program of the United States for dealing with its balance of payments and gold problem both in the short-term period and over the longer run. The arrangement might be characterized as a facility that will provide additional protection for the dollar and our gold reserve.

As Secretary Dillon stated yesterday before the annual meeting of the International Monetary Fund, "we are justified in looking back upon the past year as a period of striking progress in strengthening our international monetary system—a system that, in the last analysis, rests firmly on the maintenance of the dollar at its present gold value as a key reserve and trading currency." Secretary Dillon in his statement pointed out that as compared with an overall deficit in our balance of payments of \$2½ billion last year and an average of \$3.7 billion during the years 1958–60 our deficit for the first 8 months of this year has been running at an annual rate of somewhat over \$1½ billion. In his statement which I recommend to the Members for their consideration, Secretary Dillon reviewed the various segments of the administration's program to deal with the balance-of-payments problem and the efforts which will be made looking toward "the early achievement of balance in our international payments."

**Mr. WHARTON.** Mr. Chairman, once again the exponents of foreign aid are strongly urging against any cut in that program and I have just completed a review of the committee report made available to the membership today. A stronger indictment of its administration and operation has never come to my attention.

I recognize the chairman of the subcommittee in charge as a hard working and dedicated individual, who has spent countless hours in the pursuit of factual information for the enlightenment of his colleagues and he deserves our sincere appreciation and respect.

With our dwindling gold reserves, our unprecedented national debt, and vivid examples of recipient nations who have turned and voted against our democratic principles in our international tribunals, the folly of further profligate spending of this nature should be apparent even to the uninitiated.

To proven friends, I am in favor of sympathetic and necessary assistance at all times and shall support any reasonable program; however, we have but to look 90 miles off our southern coastline to see a prime example of communistic ingratitude. Unfortunately, the record discloses others and the least we can do at this time is to respect our chairman's studied recommendations and practice moderation and commonsense in connection with this program.

**Mr. WHITTEN.** Mr. Chairman, here again we would prevent American money from helping ships to carry arms to Cuba and we stand by while Russia furnishes what they need. I am for the amendment, but such dealing with the fringes really solves nothing. We mere-

ly kid ourselves. Let me repeat what I said a year ago. Twelve months have only further proved what I then said.

I quote:

[From the CONGRESSIONAL RECORD, Sept. 7, 1961]

#### FOREIGN AID

We are underwriting the incumbent government in countries all over this world, willy-nilly. Human nature is the same the world over. As soon as the incumbent government falls and they stop receiving our aid, they are against us.

As to the South American countries. We know their history. Just as soon as American business grows up there, fully guaranteed against loss, under this bill, it is an open invitation for revolution and for some unfriendly dictator to take over—and like Cuba; I suppose we will sit and take it.

The only question is how soon will it happen.

Oh, I have heard my friends here make speeches that we ought to do something about Cuba. I am not going to give away any of the secrets I hear as a member of the Committee on Defense Appropriations and in other sensitive places.

Remember this, if you think about it, you will be bound to conclude that the reason we have not protected ourselves against Cuba, right off our own coast, is that our commitments are spread out all over the world to the extent there would be retaliation somewhere else. We have made commitments in Asia, Africa, Europe, and every other place, and in the process we have left ourselves vulnerable on our very doorstep. Russia is in Cuba, military construction is going on today in Cuba. Ships from Russia are coming into Cuban ports. Russian planes are in Cuba. Are they building missile pads? Every indication is that they are, and we sit by, afraid that if we protect the threat against us on our own doorstep, we will be hit on a hundred farflung fronts.

#### CENTRAL AND SOUTH AMERICA

If there is any group of nations which looks to some strong man at home and respects strength abroad, it is the Central and South American countries. To them, with our rush offer of \$600 million after Castro's actions in Cuba, now skyrocketed in one speech to \$20 billion, we must appear scared to death. Certainly, they cannot believe this is the same nation which announced the Monroe Doctrine and made it stick.

#### WE PAY PROFITS, PAY TRIBUTE, AND MAKE ENEMIES

We have insisted on granting funds to other countries for buying new material, when many times those nations had usable supplies on hand. By granting such governments dollars for new purchases the ruling powers in some of these countries get a cut, a rakeoff, a handout, and American interests make a profit. In the process we are inflaming many people against us and defeating the very purpose we seek.

Look at what happened in Korea, in Laos, in Vietnam. We see what happened in Japan, and in Cuba. We have granted more than \$2 billion to Yugoslavia. For what?

Today we aid Poland, let U.S. Industry trade with Cuba and Russia, assist Egypt. However good our intentions, in the eyes of the world we are, in effect, paying tribute. Paying blackmail has never worked, throughout our history. It will never work.

It is difficult to get Americans to look at this program objectively. Too many Americans are reaping profits. American and foreign companies have been organized and have gotten rich doing this business for us, frequently without any real investment on their part. We have made competitors out

of customers, competitors whose output is now doing real damage to American agriculture and industry and to American workers, thus weakening our overall economy on which our safety depends.

#### WE MUST REVERSE OUR COURSE

Mr. Speaker, I repeat, through foreign aid we have gotten ourselves deeply and dangerously involved in the internal affairs of every nation which accepts our aid—and we have spent \$100 billion doing it. Because of it we have been afraid to protect ourselves against Cuba, just off our shores. We must change our course, show our courage and determination, and demonstrate to the world that we will not continue to pay tribute or attempt to buy friendship. We must regain our ability to defend ourselves from the dangers close by—as it is through foreign aid we show our weakness, and invite disaster.

#### WE MUST DEVELOP OUR OWN COUNTRY

Recognizing that the greater our debt, the more our problems, and the more imperative it is that we protect our country, I have used my position as chairman of the Appropriations Subcommittee for Agriculture to provide for the protection of our watersheds, our streams, our land, and the natural resources of our Nation, on the basis that we must at least protect our natural resources, on which everything else depends.

In the field of domestic public works, I made the motion which resulted in overriding President Eisenhower's veto of the domestic public works appropriation, thereby protecting the program for the development of our rivers and harbors for flood control. (Pages 18597 and 18603–18604, CONGRESSIONAL RECORD of September 8, 1959.)

Today, Mr. Speaker, I mention the length of my service and the experience I have had that you may know my belief that we are losing too many beliefs upon which our Government was founded, both as individuals and as a Nation, beliefs which have carried our Nation through the many trials that have beset us in the past, is based on long service and experience with many subjects.

We appear to be on the road where to spend more dollars, with everyone trying to get his share, seems to be the order of the day. These are matters which I have discussed in great detail before the Congress, in dealing with specific programs. If the Nation is to stand—if we believe history—we must reverse our course.

In this connection, Mr. Speaker, under leave to extend my remarks, I would like to quote from a speech which I made on the occasion of Jefferson Davis' birthday, in which I pointed out—in what I trust was a temperate, moderate, and judicious manner—what the use of armed power to force conformity in 1861 has led us to in 1961. Truly, there is such a dangerous similarity between conditions existing in the United States in 1861 and today as to be appalling.

I hope these thoughts and views may have the prayerful study of my colleagues from all sections.

I quote:

"Jefferson Davis was born June 3, 1808, a man destined to lead a lost cause with courage and honor. Long before the outbreak of the Civil War, however, Jeff Davis had served his country well as a U.S. Representative, as Senator, and as Secretary of War. With all his ties to the Union, when the States of the South called him to support their cause, to protect the right of local self-government, he did not hesitate. His service as President of the Confederacy during the tragic war was such as to make us all proud.

"Jefferson Davis possessed the highest principles of integrity, honor, and duty. He faced his problems with determination and energy.

**"THE CIVIL WAR OR THE WAR BETWEEN THE STATES**

"One hundred years ago, in 1861, the Civil War, or War Between the States began. This centennial year is being marked by ceremonies, memorials, holidays, and reenactments throughout the South, which, except for commemorating the valor of our forefathers, I personally believe could well be used to point out how very similar our situation today is to that tragic situation of 100 years ago. Present conditions are so similar we should pause to remember that heartbreaking conflict, which pitted brother against brother and father against son.

"As we look back upon those troubled times we can see that sound leaders of both sides deplored any effort to settle the issue by armed conflict. Unfortunately, the radicals of that day prevented a peaceful solution. Then, as now, they were not satisfied to run their own local affairs, but insisted that all other sections conform to their pattern.

"In the period leading up to the Civil War, any objective study of history would clearly show that slavery in the South was on its way out. A further study, however, will show that the North, which had contributed greatly to importing the institution of slavery into the United States for economic reasons, had gotten rid of its slaves by 1850, so those who wished could look at the matter in the abstract, without any fear of economic effect in their own area.

"However bad the institution of slavery was, it did provide supervision and care which were essential to the welfare of the Negroes of that day and time. With the end of the war these untrained and uneducated people were turned loose without any type of control, aid, or assistance. The terrible days of reconstruction were very similar to those we see in the Congo now, where all experienced leadership has been forced out, just as happened in the South.

**"SEGREGATION NOT LIMITED TO THE SOUTH**

"Thus, today, it is very easy for people in other sections of the country to agitate and feel that they are morally right in insisting on forcing integration in the Southern States and the destruction of local laws. Many people adopt a holier than thou attitude, taking the view that they do not have segregation in their own area. However, living here in Washington and having visited most of the major cities of the United States, it is apparent that minority groups live almost entirely among themselves in all areas of the country. Integration is a token matter. Through the practice of economic segregation those who wish to force integration on the South can live in sections where they do not meet the problem. Thus, again, it is easy for them to strike at the matter in the abstract.

"I am sure most of the people of the United States would agree with us who live in the South if they had the same situation and knew all the facts. Unfortunately, the radio and press often write what their readers wish to believe, and the full facts are not presented to the public.

"It is impossible, however, for those who support integration to fully ignore what is happening in their own areas. Appearing this week in the Christian Science Monitor was the following article:

**"NEGRO AND THE TEEN CRIME**

"The hidden Negro problem of the North is seen as packing an explosive force more hostile to the stability and welfare of the Nation than the recent race eruptions in the South.

**"SOCIAL DYNAMITE**

"In practically every instance, it is the teenage Negro who is involved. Police forces have been increased and supplied with

trained dogs, but the crime wave continues.

"And this report appeared in a Los Angeles paper:

**"LOS ANGELES MOB QUELLED**

"LOS ANGELES, May 31.—An angry throng hurled rocks, bottles, cans, sticks, and baseball bats at police when a riot broke out \*\*\* started when officers tried to arrest 2 youths—part of a group of youthful Negroes \*\*\* soon a mob of 200 was advancing on the officers. Of the 75 police called out 5 were injured.'

"Instead of forcing integration upon the Southern States, truly it would be well for the rest of the country to learn from the States of the South that the way for peace and harmony is to provide for separate but equal facilities and protect each race in the enjoyment of its own way of life.

**"THE SUPREME COURT**

"We have a Supreme Court from whose decisions there is no appeal, which has taken unto itself the right to change the Constitution without constitutional amendment. In effect, the Court has said that even though, for the moment, certain other statutes are constitutional, it reserves the right to declare them unconstitutional at a later time, unless they are carried out as the Court desires.

"In the history of the world, those governments have stood which had something solid around which the tides of public opinion could ebb and flow. In our country it was the Constitution, the interpretations of which had become a part of it, had made it fixed and stable, a steadfast rock, around which statutes could be passed and decisions rendered. But when the Court sets aside all prior decisions as to what the Constitution meant, decisions on which the States of the South had relied, it means that from week to week you don't know what the law is. A short time ago, we saw France call General de Gaulle back into power, to a position approaching dictatorship. Why? Because the French Constitution was being subjected to the day-to-day whims of the legislative body, which meant that the nation had no stability in law.

"What does the Supreme Court's recent line of decisions mean? My friends, by way of homely illustration, the accuracy and soundness of the description of the land on which this Capitol is placed depends on the permanency of the marker from which the first survey started. The Supreme Court has moved the constitutional marker from its place. As a result everything which was tied to such post or marker has lost its meaning; and, further, the Court has reserved the right to keep wiggling such marker around to serve the whims of a majority of its members.

**"OUR GOVERNMENT'S TACTICS**

"You may well ask why the Supreme Court took such action. My friends, I have many reasons and much evidence to support the belief that the threat of a Russian victory was used to bring about the unanimous decision by the Supreme Court in the Brown integration case. It was probably argued that if we don't bring about integration with the colored people in the United States, we will lose the contest with Russia throughout the world; and if we don't do this, Russia will eventually conquer the world. It was said by the press, 'If Russia takes over here, the first thing they will do is set up a dictatorship. If Russia takes over,' they charged, 'they will do away with the right to trial by jury.' 'Yes,' they said, 'if we do not integrate, Russia will force on us a system similar to Hitler's in Germany or Stalin's in Russia.'

"What did they do in Germany and Russia? What was the source of their absolute control of those nations? Why, they had the courts issue decrees, then they used troops

and government officers to enforce the decrees.

"Haven't we done that here? We have seen the Supreme Court, unwilling to wait for constitutional amendment in the regular process, change the Constitution by decree. We have seen the President send troops and Federal officials to enforce such decrees. We have seen the President recommend, and the Congress pass, legislation doing away with the right to trial by jury. Our Government, itself, has done much of what we feared Russia might do.

"We are told we have to integrate all the races of the United States or we can't hold the friendship of the people of India, China, Japan, Africa, and all the rest. If that be true, why have China and Japan been at daggers point throughout history? Talk about India—in spite of what you read, we know in many areas people of the same color cannot even touch each other.

"No, the agitation is right here at home, promoted perhaps by the Communist Party, whose purposes it serves. People are using the threat of Russia here in the United States to accomplish their personal desires and actually to impose the Russian system of required conformity upon us. My friends, if this were the real 'McCoy,' if the proponents of this destruction of our American way of life and the pride in our race were sincere, they would look at certain nations around us and wonder why those countries with the same great natural resources as we have, nevertheless, have such a low economic level. They would wonder why elections in those countries are often determined by violent revolutions. If John Marshall had held the same views as the present Chief Justice, and if Thomas Jefferson had been of the same opinion as our recent President, and had brought about integration in their day, perhaps by this time we would be on the same low economic level as some of our neighbors for whom Congress has provided hundreds of millions of dollars—without even a plan—all in the hope it might help our cause.

"My friends, history clearly shows an individual must have pride or he makes no real progress. A family must have pride or it goes down the scale. So it is with countries. So it is with race. Any race, whatever it may be, which feels it must be intermixed with another acknowledges its own lack. Such a race will not serve itself well, nor that with which it wishes to intermix.

"Don't believe my statement simply because I say it. Read history. It is replete with proof. In all history there is no exception.

"Integration, where it has taken place, has only led to great turmoil. We all know that if you go into some sections of almost any northern city where there is a sizable Negro population, you take your life in your hands.

"Rape, murder and robbery are commonplace in some areas of Washington.

**"THE FREEDOM 'BUSTERS'**

"In recent weeks we have seen agitators deliberately go into areas of the South for the admitted purpose of violating laws of the States, which have never been held to be beyond the power of such States, but rather have been held to be within the power; and then we have seen the Federal Government move its forces in to protect such individuals in their avowed purpose of 'testing' existing laws.

"What if it were the law against murder they wished to test, or rape or robbery? Is there one rule in the Federal Government for laws the Executive or the Judiciary likes and another for the laws they don't like?

"These so-called 'freedom riders,' who might better be called 'freedom busters' could do what they wish in their own areas.

They are out really to 'bust' the laws which others have found best for themselves. Here we find them, with the support of Federal officers, attempting to force their views on people, black and white, who have different views and, therefore, different rules and laws for getting along peaceably and with mutual respect—and they do it on the basis of fighting intolerance. Could anything be more intolerant than to push their views on others?

"Ladies and gentlemen, there are those who say if integration were forced into public places, the present controversy would end. Of course, it would not. Each step leads to the next one. Don't the people know that if every family were integrated, if every family were amalgamated, then there would be still a distinction based upon shades of color, upon purity of race? If you want proof, merely look at those countries where the white and black races have amalgamated.

"My friends, power breeds desire for power. No dictator ever stopped short of taking it all. This concentration of supreme power in our Supreme Court, backed up by the Executive, will not stop with school and public facility integration, nor with race. Once seized this power will be used to control industry, to control agriculture, yes, and eventually even labor.

"In Russia everyone is supposed to own everything. However, for all practical purposes everything may as well belong to the Communist leaders, who control according to their own desires. In our country, if the present trend continues, it won't simply be the Chief Justice, the President, or even the Attorney General who issues orders, it will be every little Tom, Dick, and Harry who speaks in the big chief's name. So it has been in history and so it will continue to be, for the basic traits of human nature do not change.

#### "OUR FOREIGN POLICY SHOWS THE SAME WEAKNESS

"I was at the opening session of the United Nations last fall. I saw Khrushchev as he virtually ran the length of the floor to embrace Castro, though they had been together all morning. Yes, and I saw the representatives of African nations, such as the African Congo, each with a vote, though many of them represented virtually only a small tribe, recognized and seated there at our instance, another group for whose vote we must bid, not once and for all but on every issue as it arises.

"Today, a hundred years after the Civil War, the United States moved into the local affairs of almost every country which would let us. We have granted funds and goods to foreign governments, which in turn sold such goods to their own people for what the traffic would bear. We extend this foreign aid primarily on the promise, but many times merely in the hope, that incumbent governments would support our wishes. Through this means we have made a few persons rich here and abroad. In many of these nations we have forced them to take on our ways, to the point many countries are virtually defenseless, both from revolution within or from enemy attack from without.

"In many of these nations we have lined ourselves up with the 3 or 4 percent which have almost all the wealth, and left ripe for the picking by Russia the other 96 or 97 percent. Not only does our Government seem unwilling to permit the people of any State of the United States to run their local affairs as suits them, but it has spent more than \$60 billion in foreign countries, largely in an effort to keep 'our crowd' in, whether the people of the area want that particular 'crowd' or not. We have made competitors of customers and now wonder why our gold reserves are depleted and our cash markets reduced.

"In view of our foreign entanglements, I flinch each year when Washington's farewell address, warning of the dangers of foreign entanglements, is read in the House of Representatives. I feel it is almost sacrilege.

"My friends, my speech here today is not meant to be an attack upon an individual nor upon any political party. Both parties and many leaders have contributed to our situation, including some in our own Southland.

"We wish for our President the greatest success, not only on his present trip but throughout his tenure of office, for as he goes so goes the country. We are all in this boat. We had hoped, however, for a reassessment of all these matters which I have mentioned to you and, therefore, have been disappointed to see the request for more forced integration, not less; for more foreign aid, not less.

#### "COURAGE IS REQUIRED TODAY

"We do well to honor that great American, Jefferson Davis; we do well to remember the character and courage shown by him and the hundreds of thousands who stood by him 100 years ago today. I pray we may have the same courage today, not merely to save the South, but the Nation.

"In this centennial year of the beginning of the Civil War, the American people would do well to review and recognize the great similarity between conditions which prevailed on June 3, 1861, and those which prevail today, June 3, 1961. They are so similar as to be frightening. Sometimes we, too, wish we could resolve the issue in some simple, clear-cut way. Such a course is not possible. Any solution will require helpful understanding on the part of many people. We must do our part.

"Not since the Civil War have our people faced a more trying time. Our problems today call for the best within us. The attack on the Constitution and on our way of life is insidious. It comes under the guise of government. It is offered with an appeal to the natural tendency of Americans to be law abiding. It appeals to religion, is presented in the name of world peace, but creates strife, dissension, and disturbance. It is said to be necessary to protect the rights of individuals, but is itself based on usurpation of power. We are told it is necessary in order to maintain our form of government; yet its starting point is the destruction by judicial decree of the rights of the States, of the Congress, and of the people. Yes, it begins with destruction of the Constitution itself. It can only lead to complete ruin.

"History books are written one way for use in the Southern States, another way for the other States. However, one fact is inescapable. Might, for all practical purposes, has the same effect as if it were right.

"It has taken us a hundred years to see just how far such a situation can go—today it is the Supreme Court and the executive department which apply the force. Once again we see what might can do.

#### "WE MUST CHANGE OUR COURSE

"I sincerely hope that our Supreme Court our President, and those who would control our newspapers, our radio and our television, will recognize, before it is too late, what the present course leads to. It was not merely the South which lost the Civil War, it was the Nation. It has taken a hundred years for us to fully see that might, when taken to be right, can destroy a nation.

"We must review our domestic and foreign policy and reverse our course. We must realize that any nation such as ours must permit local difference, reflected in local self-government.

"We must realize that the people of other nations are not going to give up their right to change their government as they see fit.

We must realize that friendship purchased with cash will fail when the cash is gone—not only that, but we must realize that in most countries those now out of control will, in the course of events, get into control; and then, the United States will be the subject of the greatest hatred. Thus it is that we are in such a precarious situation throughout much of the world.

"In conclusion, may I say, we must permit local self-government in our own Nation to reflect local views and meet local needs. We must return to a foreign policy which permits the peoples of other nations to run their own affairs. If we don't approve such a course in foreign fields, the peoples of foreign countries are going to do it anyway, and we will continue to be the loser.

"If we do not return to such a common-sense course in our own Nation, dictatorship will be followed by dictatorship, and all we hold dear will be gone, for no dictator can force the American people into a common denominator, Russian style, each of an exact shade of brown, each conforming to the dictates of an all-powerful Federal Government. Our people are too independent for that. We must allow for differences. If not, differences will destroy us."

Mr. PASSMAN. Mr. Chairman, I have no further requests for time and ask that the Clerk read.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

International organizations and programs: For expenses authorized by section 302, \$148,900,000: Provided, That no part of any other appropriation contained in this Act may be used to augment funds or programs contained in this paragraph.

Mr. PASSMAN (during the reading). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be open to points of order and amendments at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk read as follows:

Alliance for Progress, development loans: For assistance authorized by section 252, \$425,000,000, to remain available until expended.

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: On page 3, line 4, strike "\$425,000,000" and substitute "\$500,000,000".

Mr. GONZALEZ. Mr. Chairman and fellow Members, the amendment I am proposing merely restores the amount that was originally requested for the Alliance for Progress with respect to development loans. The amendment I have offered is not in anywise a departure from administration policy nor, for that matter, from the proposal that this Congress fully ratified just 6 weeks ago.

I would like to emphasize, Mr. Chairman, that my amendment is fully in line with the proposals and foreign policy proclamations of both the Eisenhower and Kennedy administrations.

In brief, my amendment simply restores those funds to that most vital of programs, the Alliance for Progress, which was ratified as absolutely neces-

sary by the Committee on Foreign Affairs, the Senate Committee on Foreign Relations, and both Houses just a short time ago. We are not dealing here, Mr. Speaker, with a program that should succeed, with a program that would be desirable to succeed, but—and please believe me, Mr. Chairman—we are dealing with a program that absolutely must succeed. On June 1 of this year Fidel Castro said:

The American economy cannot afford it [the Alliance] they [the Americans] have neither the gold reserves, nor the organization, nor the men to make it work.

If we do not restore these funds the first time that an appropriation is being asked for a program as important as this, and about which every single nation south of us is waiting to see what we do, to see if we keep our word—the thought that is being expressed by many people south of us is this: Russia is willing to go to war to help its friends in the Western Hemisphere; will America keep its promises solemnly entered into in Bogotá, in Rio, and in Punto del Este?

If we do not do this, in my humble opinion, we will have repudiated our own Committee on Foreign Affairs, the same members in whom this House in its sovereign judgment has delegated the basic and substantive responsibility for foreign policy. This would repudiate the Monroe Doctrine, because that famous doctrine not only gave these United States many rights and prerogatives in this hemisphere, but it left us with a most solemn set of obligations and responsibilities as well.

This would also repudiate the previous Eisenhower administration, because that administration most emphatically did pledge this great Nation to wholehearted and generous cooperation with all Latin American signatories at Bogotá in 1959.

For these reasons, and for many others that are patently obvious, Mr. Chairman, I beseech and implore my colleagues to restore this request. In other words, this amendment merely restores the \$75 million originally requested the first time that we have such a request on a brandnew program, one that is a hallmark of this administration in its efforts to do that which is long overdue.

We are working against time in the Western Hemisphere. Time is not with us, time is against us. I for one, personally feel, for instance, that we should not have pussyfooted around as long as we have, that we should have gone in and given Castro a good shave and a good dose of castor oil. Nevertheless, with the overall policy that must be developed by this Nation in its position of leadership I think it behooves us to restore this amount at this time in the Alliance for Progress.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Iowa.

Mr. GROSS. What do these South American countries think of Castro? I do not see any of them moving in support of those of us who want to reestablish freedom in Cuba.

Mr. GONZALEZ. I feel, on the contrary, that many of these nations have consulted with us; but we, too, have to be firm, sir, in what we stand for. We cannot afford to offend any who have shown a desire to exercise a definite partnership with us in that venture.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is one item on which we had almost unanimous agreement in the subcommittee and in the full committee.

The budget estimate of \$600 million for the Alliance for Progress was approximately 44 percent of the total of \$1,378,500,000 in the bill this year for Latin America.

Funds available for expenditure in Latin America this fiscal year exceed \$2.5 billion.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I shall be happy to yield.

Mr. MAHON. I would like to commend my friend, the gentleman from Texas, for his manifestation of interest in the Alliance for Progress. It is a very forward-looking program and I share the interest.

At times it takes years to report and get legislation through the Congress. Progress is rather slow in legislative matters. We will make a great mistake if we pour money into South America faster than it can be advantageously used. So it is going to take time for the countries of South America to make the necessary reforms. If we give them the money without any strings attached it will be largely wasted. At a time when our taxes are high and our own financial house is not in order we should be slow to make commitments that can be avoided or delayed.

The cut already made by the Appropriations Committee was probably not as deep as it ought to me. In my opinion, it certainly is a good compromise figure. It would be a mistake to increase this figure. Let us not lead South America or any other area to believe that we will undertake to send money or provide services to them unless there is indisputable evidence that good will result to this country and to the free world.

Mr. PASSMAN. Especially so since a total of \$2½ billion is available to their credit now. With this appropriation, \$1,378 million is provided.

The CHAIRMAN (Mr. MILLS). The question is on the amendment offered by the gentleman from Texas [Mr. GONZALEZ].

The amendment was rejected.

The Clerk read as follows:

Administrative and other expenses: For expenses authorized by section 637(b) of the Foreign Assistance Act of 1961 and by section 305 of the Mutual Defense Assistance Control Act of 1951, as amended, \$2,700,000.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross of Iowa: On page 3, after line 15, insert the following:

"The foregoing amounts for economic assistance are hereby reduced in the aggregate amount of \$250,000,000."

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, first of all I want to commend the gentleman from Louisiana [Mr. PASSMAN], and those members of his committee who supported him in holding this bill down. It is a bill involving almost \$6 billion, and, as the gentleman from Virginia [Mr. GARY], said, the program gets bigger and bigger all the time. I do not know what it would have been if it had not been for the gentleman from Louisiana and those who supported him on the committee.

Up to that point, and only to that point, do I compliment them. With this country having a debt of \$301 billion, with the interest on that debt desperately close to \$10 billion a year, with this country's public and private debts totaling nearly \$1.1 trillion, Congress ought to regain its senses and put a stop to these lavish giveaways. I could not even hold my nose and vote for this bill. I might vote for it if it appropriated a dollar and other considerations. I do not know what the other considerations would be, but that is the only way I could vote for this foreign handout bill.

There is no reason why economic aid in this bill cannot be cut by \$250 million. The amendment I have offered in was considered in the Appropriations Committee, and it came, I understand, within five votes of being adopted.

I have read some of the hearings, in fact a good part of the voluminous hearings on this bill.

I was astounded by the facts that were produced by the committee. Among other things—and I can only hit a few of them here—if I remember correctly, and I want the chairman of the subcommittee to correct me if I am incorrect, this Government is spending \$6,000 a year on Iraqi students in this country each school year, \$6,000 plus a year; is that about correct?

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Louisiana.

Mr. PASSMAN. That is true.

Mr. GROSS. I doubt if there are very many Members of the House of Representatives who can afford to spend \$6,000 a year on each of his or her children in a university or college in this country. I doubt that they have that kind of money.

Mr. Chairman, the Peace Corps which, as the gentleman from Louisiana said a while ago, started with \$10,000 2 years ago; it went up to \$63 million last year, and there is \$52 million in this bill for that operation. The Peace Corps now is employing social anthropologists, whatever they may be; it is employing junior town planners, whatever junior town planners may be; it is employing psychologists to evaluate the programs in the various countries. The United States Ambassadors and their staffs in the countries in which the Peace Corps operates apparently are not qualified to report to the brass hats in the State Department over in Foggy Bottom how the Peace Corps is performing. So they are employing psychologists at \$40,000 and

\$50,000 a year to go to these countries and evaluate the Peace Corps operation. This makes more highly paid jobs for the Kennedy administration and pushes the taxpayers nose further down on the grandstone.

Mr. Chairman, the Peace Corps is also reportedly conducting a study of man. I do not know what part of man it is studying, but that makes more jobs and provides more spending.

Now, I understand that last year Congress authorized some \$400,000 in military assistance to Italy. Yet, from reading the hearings I gather—I hope I am correct, and I want to be corrected if I am not—that last year Italy was given \$63 million worth of military assistance. Is that about right, I will ask the chairman of the subcommittee?

Mr. PASSMAN. I am sorry, but I did not hear the gentleman. Will the gentleman repeat his question?

Mr. GROSS. Did Congress justify \$400,000 worth of military aid for Italy only to find the brass hats, without authorization, raided other funds and gave them \$63 million worth?

Mr. PASSMAN. If the gentleman will yield, the Defense Department stated to us what they needed, and they made the decision.

Mr. GROSS. Well, did that happen?

Mr. PASSMAN. There have been a lot of things happen in the military assistance program that are difficult to comprehend or explain.

Mr. GROSS. I understand that Israel—just taking one country—was borrowing hard money from this country—was patronizing the hard loan window at one of the numerous international lending agencies.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. COAD. Mr. Chairman, I object.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The gentleman from Iowa offers a preferential motion. The Clerk will report the motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes under his preferential motion.

Mr. GROSS. Mr. Chairman, I thank the gentleman from Alabama [Mr. COAD], for his objection.

Mr. ICHORD of Missouri. Iowa.

Mr. GROSS. I said Alabama.

Mr. Chairman, I understand that after the Development Loan Fund became effective Israel went right over to the soft-loan window. Now, I understand that country is dispensing foreign aid in various countries, although they are borrowing money from us at the soft-loan window, for a period of 20 years, at I believe a one-fourth of 1 percent carrying charge, with no payment whatever on the principal in the first 5 years on this money. Apparently we are putting up the money for them to conduct a for-

ign aid program. Is that about right, I ask some member of the committee?

Mr. PASSMAN. The gentleman has stated the case correctly.

Mr. GROSS. I read the other day the report that in the last quarter for which reports are available—that is, the April, May, and June quarter—the non-farm-property foreclosures in this country increased 16 percent. In other words, those foreclosures were on residences and business properties. Yet billions of dollars will be made available under this bill, plunging this Nation deeper and deeper into debt, a debt that is being handed on for payment to our children and their children. This is the height of irresponsibility.

Someone spoke of the Alliance for Progress, and someone else, I believe the gentleman from Texas [Mr. MAHON], spoke of how difficult it is to get legislation through the House of Representatives. Well, bless your hearts and souls, the original Alliance for Progress legislation went through this House as though it was greased. The commitment to spend billions on that starry-eyed project had been made even before the legislation was approved. The Congress was committed to put up the money before they ever had a meeting in South America; before they could reach any agreements whatever. How foolish can we get in this country to dispense in this year, with the debts that we have, with the foreclosure increases that we have, how utterly foolish can we be to give away another \$6 billion in foreign aid?

You can vote for it, if you want to. I want no part of it. I hope you will accept my amendment and cut \$250 million.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Iowa [Mr. Gross].

The preferential motion was rejected.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

The committee has evaluated the facts. We believe that if we can we should meet our commitments until such time as appropriate adjustments are made, to find out what is actually obligated. I think the amendment should be defeated. The committee has gone into the matter very carefully.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

The Clerk read as follows:

Page 3, line 16:

#### "MILITARY ASSISTANCE"

"Military assistance: For expenses authorized by section 504(a) of the Foreign Assistance Act of 1961, including administrative expenses authorized by section 636(g)(1) of such Act, which shall not exceed \$24,000,000 for the current fiscal year, and purchase of passenger motor vehicles for replacement only for use outside the United States, \$1,300,000,000."

Mr. CHAMBERLAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHAMBERLAIN: On page 3, line 23, insert "Provided, That none of the funds contained in this paragraph shall be available for the purchase of

new automotive vehicles outside of the United States."

Mr. CHAMBERLAIN. Mr. Chairman, the amendment which I offer is short and simple.

It has no complex issues which can lead to confusion.

I am prompted to offer this amendment for just two basic reasons:

First, I want to do something positive and constructive to help our economy and help create jobs for our working people.

Secondly, I want to suggest a course of action which will help mitigate the flow of gold from this country.

If you want to help get the country moving—and if you are concerned about the gold problem—then I think you will want to support this amendment.

Just what does it do?

It simply prohibits the purchase of military vehicles under our foreign aid program outside the United States.

Now what is this aimed at and how will it accomplish its purpose?

Let me briefly summarize the situation which I discussed before the House when we considered the authorization bill last July.

Earlier this year I discovered that since 1957 our Government has purchased more than 78,000 military trucks manufactured in Japan.

These were given under our aid program to the military forces of friendly nations in the Far East.

We are told that these trucks have cost our taxpayers \$223 million—nearly a quarter of a billion dollars—and this is the unclassified figure. The classified costs are available—and are even greater as you can well imagine.

This money was spent for Japanese made trucks during a period when the American automotive workers were operating at about half speed.

We were spending this money outside the country during these years while our own unemployment was acute in most of our automobile centers.

The continuation of such a policy, I submit, is not good.

The place where these trucks are assembled is not the only area affected.

Trucks and cars are the cornerstone for our entire economy. The purchase of Japanese trucks affects rubber workers in Akron, steelworkers in Pittsburgh, glassworkers in Ohio, and scores of other supply centers.

Thousands of people in dozens of American cities contribute to the making of a car or truck.

This is why I have insisted on numerous occasions that the automotive industry is basic to a healthy economy in America. This is shown by automobile production this year.

The automobile industry has been having a good year.

As a result, the American economy in these areas is in good shape. If you doubt this I say look at what has happened to unemployment in our major automobile producing centers.

Our Government should be encouraging this industry instead of sending our purchase orders abroad.

That is why I propose this amendment.

As far as I can determine, the decision to buy Japanese trucks was based primarily on one major factor—cost.

But if you look at it closely, this is not a valid reason.

I was told that the American military truck costs approximately \$10,000. A similar Japanese truck costs about half that.

But, Mr. Chairman, these figures ignore the tax moneys that the American truck generates and sends to the U.S. Treasury.

It is estimated that on a \$10,000 truck no less than \$4,000 returns to the Treasury in the taxes of all those involved in the manufacture process.

You have had this pointed out before regarding other Government expenditures—by the President of the United States, among others, when he increased his estimate of revenues based upon a recommended increase in spending.

He asked that we spend \$2.3 billion, anticipating \$900 million increased revenue as a result, a return of 40 percent.

Furthermore, Mr. Chairman, if we weigh in the balance all the money we spend for unemployment compensation, job retraining, and other programs to help unemployed, the cost of buying American trucks is further reduced by keeping our people working.

American workers want jobs rather than a dole.

This amendment is one way to help.

Now, just a word about the gold situation.

The present problem stems largely from the \$3 billion our Armed Forces are spending abroad annually—this outlay for Japanese trucks included.

Much of this spending may be essential but buying foreign trucks is not.

I do not propose to deny our allies of trucks or even to make them pay for them. I simply say that we should give them the best trucks in the world because it is in our own self-interest.

Gold has been going out of the country steadily. We all know it. The world knows it.

This is one leak we can easily plug and help the American worker and the American economy by doing so.

I earnestly hope this amendment will be approved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CHAMBERLAIN].

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 78, noes 69.

So the amendment was agreed to.

The CHAIRMAN. For what purpose does the gentleman from Louisiana rise?

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, and that the bill be open to points of order and amendments at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. Are there any points of order to the remainder of the bill?

Mr. FRELINGHUYSEN. Mr. Chairman, I make a point of order against section 112 on page 8.

The language of that section is as follows:

SEC. 112. It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those nations which share the view of the United States on the world crisis.

The CHAIRMAN. The gentleman will state the point of order.

Mr. FRELINGHUYSEN. Mr. Chairman, that language is already embodied in the basic act and is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Louisiana desire to be heard on the point of order?

Mr. PASSMAN. Mr. Chairman, I ask for a ruling.

The CHAIRMAN. The Chair sustains the point of order made by the gentleman from New Jersey.

Mr. GROSS. Mr. Chairman, I make a point of order against the language on page 6, line 17, as follows: "unless the President determines that the withholding of such assistance to such country would be contrary to the national interest."

The CHAIRMAN. The gentleman will state the point of order.

Mr. GROSS. Mr. Chairman, I make a point of order against the language I have just read on the ground that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Louisiana desire to be heard on the point of order?

Mr. PASSMAN. Mr. Chairman, I ask for a ruling on the point of order.

The CHAIRMAN. The language referred to by the gentleman from Iowa against which he makes his point of order does impose additional burdens upon the President and is therefore legislation on an appropriation bill.

The point of order is sustained.

Are there further points of order? If not, the Chair will recognize Members to offer amendments.

Mr. BONNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BONNER: On page 6, after the comma in line 17, insert the following: "or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose ships are used to transport any military or economic supplies to that regime."

Mr. BONNER. Mr. Chairman, since World War II the United States has contributed heavily and generously in an effort to rehabilitate the war-torn countries of the world. In order to avoid possible disastrous consequences to the American merchant marine, the Congress has passed the Cargo Preference Act and the 50-50 law.

It has been called to the attention of the House that foreign flag vessels are hauling cargoes of war material as well as material of other kinds, commercial and so forth, to Cuba. The gentleman from Florida and the gentleman from New York [Mr. ROONEY] and others have spoken on this matter.

Mr. Chairman, if the facts I have learned are true and I believe they are—then I say that the consequences of our Government in dealing on this basis is a travesty. As stated in a recent letter to the President by Mr. Harrison, president of the American Maritime Association, the apparent facts indicate that American flag aid dollars are used to subsidize Communist shipping. The use of NATO shipping in the carriage of Communist cargo releases Russian ships and permits them to concentrate on more strategic objectives. So-called flags-of-convenience ships and NATO country vessels have completely disregarded U.S. economic and political objectives and are motivated strictly by economic inducements, regardless of their source.

Mr. Chairman, I think that this matter has been thoroughly called to the attention of the House. The amendment I offer will not cripple this bill but will aid the economic condition of the United States and be a benefit to all of us.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. ROGERS of Texas. I have an amendment at the desk, I may state to the gentleman from North Carolina, that I intended to offer and will probably speak on at a little later stage; but there is one question about your amendment that I would like to ask. Does this prohibit the use of foreign aid funds for the payment of transportation? Or does it prevent the use of foreign aid funds to go to any nation that permits its ships to trade with Cuba?

Mr. BONNER. This will prohibit the use—let me read it. I will read it in context with the section, section 107:

None of the funds in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation directly or indirectly by merchant ships of any nation whose ships are used to transport any military or economic supplies to that regime.

So you can see what this will do and can very well understand it. Any ship that carries war material or economic supplies to Cuba will be prohibited from coming into the U.S. ports, picking up foreign aid cargoes, and carrying them to such recipient countries as they may be directed to. The transportation of such cargoes being paid for from moneys herein appropriated.

Mr. ROGERS of Florida. Mr. Chairman will the gentleman yield?

Mr. BONNER. I yield.

Mr. ROGERS of Florida. I want to commend the gentleman. This amendment is along the lines of the matter about which I spoke earlier, that we ought to start taking some action against this shipping to Cuba. This is a step in the right direction. I commend the gentleman for the amendment he has offered.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. ROONEY. I should like to know what effect, if any, this would have on the NATO organization and NATO countries.

Mr. BONNER. If any NATO country is taking any part in sending military supplies or economic supplies to Cuba, than this will affect NATO.

Now, I am telling the Members of the House, on both sides of the aisle: You want to throw an embargo and close the coast of Cuba. This amendment will do it without sending warships.

Mrs. BOLTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentlewoman will state it.

Mrs. BOLTON. May I inquire of the Chair whether we have passed the point when points of order can be made against language in the bill?

The CHAIRMAN. We have passed that point.

Mr. PASSMAN. Mr. Chairman, it would be rather difficult for me to oppose an amendment of this type. Frankly, I hesitate as chairman of the subcommittee to presume to accept the amendment for the committee. However, personally I have no objection to the amendment.

(Mr. BONNER asked and was given permission to revise and extend his remarks previously made.)

Mr. HAYS. Mr. Chairman, I move to strike out the last word, and I take this time for the purpose of asking the author of the amendment a question or two. He made the statement this would put an embargo on shipping to Cuba. If I understand the amendment, all it does is prohibit any ship which engages in the trade which he described from picking up a cargo in the United States and the transportation of that cargo, which will be paid out of foreign aid funds. Is that what it does?

Mr. BONNER. The gentleman is correct, and I want to tell him if foreign-flag ships are so interested in the foreign aid program and the carrying of materials bought for foreign countries under this program, they are not going to take the chance of losing the opportunity of coming into American ports and not being able to pick up this cargo.

Mr. HAYS. The amendment prohibits them from picking up foreign aid cargo?

Mr. BONNER. Yes.

Mr. ROGERS of Texas. Mr. Chairman, I have an amendment pending at the desk. I ask unanimous consent to offer it as a substitute for the amendment offered by the gentleman from North Carolina.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Texas: On page 6, line 16, after the first comma, insert: "or permits ships under its registry to deliver arms, ammunition, implements of war, or other goods, wares and merchandise to that regime."

The CHAIRMAN. Is there objection to the request of the gentleman that this amendment be considered as a substitute for the amendment offered by the gentleman from North Carolina?

Mr. BONNER. Mr. Chairman, I think a point of order would hold against this amendment.

The CHAIRMAN. The gentleman can object. It is not necessary to make a point of order. The gentleman from Texas asks unanimous consent that his amendment might be offered as a substitute.

Mr. BONNER. Mr. Chairman, I object.

Mr. ROGERS of Texas. Mr. Chairman, I offer it as an amendment to the amendment offered by the gentleman from North Carolina.

The CHAIRMAN. Will the gentleman alter the amendment slightly in order to do that?

Mr. ROGERS of Texas. Mr. Chairman, I withdraw my request for the time being.

Mr. ICHORD of Missouri. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from North Carolina.

Mr. Chairman, the distinguished chairman of the Subcommittee on Appropriations this afternoon made a factual and eloquent presentation of the operations of the foreign aid program.

I regret sincerely that there were only 115 members in the Committee of the House to hear the address of the gentleman from Louisiana [Mr. PASSMAN]. I commend the gentleman for his statement. The gentleman from Louisiana this afternoon made sundry serious charges against the foreign aid program to which there have been no answers. Unfortunately, each and every charge was true. I am convinced by the eloquent presentation of the gentleman from Louisiana—I am convinced so well, in fact, that I shall vote for this restrictive amendment and all other reasonable cutting amendments and if the reductions are not in sizable proportion, I shall then vote against the bill.

Mr. ROUSH. Mr. Chairman, I move to strike the requisite number of words.

(Mr. ROUSH asked and was given permission to revise and extend his remarks.)

Mr. ROUSH. Mr. Chairman, I compliment the gentleman from North Carolina on his amendment. I had hoped to present an amendment which would have denied aid to any nation engaged in trade with the Castro regime. It is my understanding that the gentleman's amendment does essentially the same thing. Now I am glad to join with the gentleman in support of his amendment.

It is my opinion that we should insist that all of our allies cut off all trade to Cuba at once. It is the policy of our Government to "squeeze" Castro economically. While we "squeeze," some of our allies are giving strength and sustenance to Castro by giving him markets for his products and by supplying him with the necessities of a nation's economic life.

By withholding our aid to nations which insist on helping Castro, we not only emphasize our position to those nations but we are telling the world that we are dead serious when we insist that Castro be brought to his knees and there is no welcome for communism in this hemisphere.

I hope the gentleman's amendment passes.

Mr. HECHLER. Mr. Chairman, will the gentleman yield?

Mr. ROUSH. I yield to the distinguished gentleman from West Virginia.

(Mr. HECHLER asked and was given permission to revise and extend his remarks.)

Mr. HECHLER. Mr. Chairman, I believe we must take all necessary steps to close any loopholes which may exist in the possible use of foreign aid for transhipment to Cuba. I have been assured by AID officials that many rumors of heavy shipments by our allies with the use of American aid are exaggerated. However, even if these rumors are exaggerated, the excellent amendment of the gentleman from North Carolina should make it crystal clear what American policy is and should be.

I hope, Mr. Chairman, that the amendment of the gentleman from North Carolina [Mr. BONNER] is overwhelmingly adopted.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

(Mr. FASCELL asked and was given permission to revise and extend his remarks.)

Mr. FASCELL. Mr. Chairman, I rise to address myself to the section appearing on page 10 of the bill which deals with the program of assistance to Cuban refugees and to the reasons of the committee noted in its report for taking the action on pages 27 and 28 of the report.

Mr. Chairman, this cut made by the committee amounts to 21 percent. The specific reasons assigned in the report for the cut are that the administration's request for the care of unaccompanied refugee children is too high, and ought to be reexamined, and therefore a cut of \$15,110,000 was made on a \$70 million request.

The total amount of money in the budget request for care of unaccompanied refugee children was \$13.8 million. By no calculation or through any manner of arithmetic, logic or otherwise, could you in any way justify the cut or save that amount of money unless you did away with the care of refugee children.

Mr. Chairman, 42 percent more funds are allowed in this bill over last year, but we also have 106 percent more Cuban refugees. I think you will pardon a personal reference when I say that I have to live with this problem, because most of the refugees are in the congressional district which it is my honor to represent. I must compliment all the Catholic church groups, the welfare agencies, the citizens and the public units for having done what I believe can be documented as an outstanding job in dealing with this problem of Cuban refugees. I take great pride in the fact that we have done as well as we have in meeting the problem of Cuban refugees which finally has been recognized as a national problem. The committee's admonition has been noted; the figures have been reexamined, and I will put all of this information into the RECORD, I am sure our logic, judgment and fair play will do what is right.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

**Mr. FASCELL.** I yield to the gentleman from Louisiana.

**Mr. PASSMAN.** Let me say to my distinguished friend, the gentleman from Florida [Mr. FASCELL], that it was not an arbitrary cut. Last year the program cost \$38,557,000. We are recommending \$55 million, which is \$16,443,000 above the amount of last year. We recognize the nature of the problem and the fact that provision will have to be made for dealing with it.

We had meager information, but we objected to one thing in particular, and that is the fact that the care for children in foster homes cost \$165 per month. The comparable cost in the District of Columbia is \$59 per month.

**Mr. Chairman,** I thank the distinguished gentleman for yielding.

**Mr. FASCELL.** The \$70 million includes more than foster home care for unaccompanied children. It covers the whole gamut of care of Cuban refugees. They are still coming in at the rate of 1,600 to 1,800 a week. Therefore the problem is not going to disappear.

**Mr. PASSMAN.** I want to say to the distinguished gentleman from Florida [Mr. FASCELL] that the figures have been examined carefully and reexamined.

**Mr. FASCELL.** I respectfully submit that Washington, D.C., is not the highest place in the country. Those figures will be made available to the committee. I think any fair person will reconsider his position on the question of this amount of money.

For example, the cost for care of Cuban children in foster family homes in Alexandria, La., monthly cost to foster parents is \$75; clothing, \$25; medical and dental care, \$12; education, carfare, and lunch, \$10; services of social worker, \$23; a total of \$145.00.

The above cost does not include travel expenses for the social worker or other administrative cost of the agency.

Board rates for Cuban children are \$25 a month in excess of board rates for the agency's own children under care. This is because the Cuban children are adolescents, while the agency's own children are young children. It is always necessary to pay a higher rate of board for adolescents. Also, since these children have no relatives or friends, the agency expects more from the foster parents in the way of providing recreation and other services to the Cuban children. These two factors account for the higher board rate paid foster parents.

The House committee, in acting on the administration's request for \$70,100,000 to administer the Cuban refugee program, reduced this figure to \$55 million, or by \$15,110,000, or 21 percent. The subcommittee report gave no specific reasons for the reduction except to indicate that it felt that the amount requested for the care of unaccompanied children in institutions and in foster family homes was too high and should be reexamined by the officials in charge of the program. The total amount of funds requested for unaccompanied children was \$13,800,000.

The subcommittee action would allow only 42 percent more funds during fiscal

year 1963 than were available during fiscal year 1962 although it is estimated that there will be 106 percent more Cuban refugees in this country during fiscal year 1963 than in fiscal year 1962 who will be eligible for assistance and service. Even if a review should determine that it is possible to reduce the amounts paid for the care of unaccompanied children, the savings which would result could not possibly come close to making up the \$15,110,000 reduction made by the subcommittee since only a total of \$13,800,000 was requested in the budget for this purpose.

Accordingly, it would be necessary to reduce the amounts given monthly to needy refugees for food, shelter, and clothing below the current average payment of \$75 a month per family unit even though current payments fall far short of meeting the full financial needs of the refugees. It would also be necessary to reduce the amount of money contemplated for reimbursement to the Dade County, Fla., public schools, even though recent statistics indicate that the average number of children to be enrolled in the Dade County elementary and secondary schools during the first semester of this year is about 19,500 rather than the 17,000 included in the estimate. Similarly, reductions would have to be made in the amounts contemplated for reimbursement to Dade County for health and other services furnished on behalf of Cuban refugees. Finally, the reduction proposed by the House subcommittee would seriously jeopardize the carrying out of the program of resettling refugees outside of the Miami area since adequate funds would not be available for this purpose. Inasmuch as practically all facilities of the Miami area are being seriously overtaxed by the weekly influx of from 1,600 to 1,800 Cuban refugees, the importance of the resettlement program cannot be overemphasized.

**Mr. Chairman,** first, there are currently 3,767 Cuban children in care—2,886 are in group care; 881 are in foster homes; 1,400 of these children are under 12 years of age.

Second. The District of Columbia Junior Village is not the highest in the Nation.

Third. The District of Columbia Junior Village cost figure per diem is \$7.02 plus services.

Fourth. The Catholic group care programs for the Cubans range as low as \$5.65 at Jacksonville, Fla.

Fifth. While the direct board and room payment for foster home care for Cuban children is higher—\$2—than the foster home care payment for American children in Louisiana—\$1.70—the Cuban \$2 is well below other cities around the Nation for American care.

The current reimbursement rates for the care of Cuban children provided by voluntary child-caring agencies and institutions are \$6.50 per diem for children in group care and \$5.50 per diem for children in foster home care.

However, the Catholic Welfare Bureau, the Jewish Family Services, and the Children's Service Bureau retain 50

cents per child per day of this amount to cover central administration and service costs.

In effect, then, the actual rate paid out to agencies and institutions is \$6 per diem for group care and \$5 for foster family care.

Examining the \$5.50 per day foster home care figure, we find this totals \$38.50—\$5.50 times 7—per week.

Board and room-----	\$14.00
Allowance-----	2.00
School carfare-----	2.50
Welfare agency-----	3.50
Administrative and service cost-----	6.50

Total disbursement per week--- 38.50

On a per diem basis, this breaks down as \$2 to the family; 64 cents allowance to the child—including carfare—50 cents welfare agency; 92-plus cents administrative and service cost, for a total disbursement of \$5.50 per diem.

These figures do not include clothing, medical, and school supplies.

The only difference in the amount for Cuban children and American children in foster home care is in the amount for carfare. The Cuban receives \$2.50 per week and the American receives \$1. This differential is because many of the Cuban children attend both morning and evening classes—thus having to make more school trips.

Examining the \$6.50 per day group care figure, we find this totals \$45.50—\$6.50 times 7—per week.

To the institution-----	\$42.00
To the welfare agency-----	3.50

Total disbursement per week--- 45.50

This provides the institution with \$6 per diem to provide the full care.

The children's service bureau in 1961 reported actual costs of \$6.57 per diem for care of children—both Cuban and American—in their group homes.

Board and care rates paid directly to foster families by public welfare agencies on a per diem basis:

Cuban welfare program-----	\$2.00
Denver, Colo-----	2.50
Dade County, Fla-----	2.27
Statewide average, Florida (all children)-----	2.07
New York City-----	4.93
State of Louisiana-----	1.70

Actual reported per diem costs of care by voluntary agencies participating in the Cuban refugee assistance program:

Foster home care:	
Jewish family and children's service-----	\$8.30
Catholic charities of Albuquerque, N. Mex-----	7.86
Catholic services for children, Portland, Oreg-----	5.64

Reported costs of public institutions caring for American children in group care homes on a per diem basis:

Junior Village, D.C-----	\$7.02
Dade County, Fla-----	7.00-9.00
Illinois Soldiers' and Sailors' Children's School, Normal, Ill-----	13.20
Calley Hall, New York-----	17.68
Children's Center, New York-----	12.96
Hillcrest Center for Children, New York-----	15.23

Actual reported per diem costs of care for Cuban children under group care by voluntary agencies:

Catholic Welfare Bureau, Miami	\$5.70-\$8.78
Catholic Charities Bureau, Jacksonville	5.65- 5.95
Catholic Charities, Denver	7.25
Catholic Charities, Illinois	6.00- 6.95
Catholic Charities of New York	6.01- 8.60
Catholic Services for Children, Portland, Oreg.	7.59

District of Columbia child welfare foster home program: \$70 per month for children up to 6 months of age; \$53 per month for all children over 6 months of age.

The House has approved an increase to \$57 per month. These figures do not include administrative, clothing, medical or educational items.

These items, on a yearly average, run:

Clothing-----	\$73.03
Medical-----	13.74
Drugs-----	7.65
Optical-----	2.10
School tuition-----	216.43
School carfare-----	36.00

Total----- 348.95

Averaging this figure out—348.95/12—and adding the monthly cost figure, \$29.08, to the \$53 payment provides a monthly care cost of \$82.08—to which also must be added administrative and service cost.

Group care program—Junior Village—the actual cost in 1961 was \$6.81 per child per day. In 1962, this cost figure has risen to \$7.02 per day. This figure does not include all administrative and service costs.

Mr. FEIGHAN asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. FEIGHAN'S remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. BONNER].

The amendment was agreed to.

Mr. PELLY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PELLY: On page 6, line 13, insert "(a)" immediately after "SEC. 107.", and after line 19 on page 6 insert the following:

"(b) None of the funds appropriated in this title shall be available for assistance to any country which permits vessels registered, enrolled, licensed, or otherwise documented under its laws to transport to Cuba, so long as it is governed by the Castro regime, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies contained on the list (known as the "positive list") maintained by the Secretary of Commerce of commodities with respect to which an export license is required under the Export Control Act of 1949".

Mr. PASSMAN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. PELLY. Mr. Chairman, this amendment to H.R. 13175, the foreign aid appropriations bill would provide that none of the funds appropriated would be available for assistance to any country which permits its vessels to transport arms or strategic materials to

Cuba so long as Cuba is governed by the Castro regime.

My proposed amendment would dovetail with the provisions of the Military Defense Assistance Control Act of 1951—known as the Battle Act—which makes it mandatory to stop any kind of assistance to any nation which knowingly allows sales of arms to the Soviet bloc. Under this amendment use of a nation's vessels to carry strategic materials would be treated similarly to sale of military goods.

According to press releases 60 cargo vessels are scheduled to deliver military shipments to Cuba. Official information with regard to such ships is classified but from newspaper accounts it is obvious that the vessels of our allies, under NATO, are transporting these shipments. At least one ship from West Germany, Greece and Italy have already been used to carry military goods to Cuba and also an unspecified number from Great Britain.

That our allies are assisting the Soviet Union to build up the military potential of the Communist-Castro regime in Cuba is unthinkable.

In the Department of Commerce, in connection with the Export Control Act, there is a list known as the "positive" list. This list contains what are known as presumption-for-denial items against exports to the Communist countries.

Validated licenses must be obtained from our Government for export of commodities on this list to all destinations except Canada.

My amendment would limit funds appropriated so that they would not be available for assistance to a country which permits its vessels to transport presumed strategic items for military purposes.

This amendment would implement and encourage our allies to ban the use of their cargo ships for transport of Communist military arms and special military implements of war to Cuba as long as it is under the Communist Castro regime.

I urge adoption of the amendment.

Mr. PASSMAN. Mr. Chairman, I withdraw my point of order, and ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. PELLY].

The amendment was agreed to.

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Texas: On page 6, line 16, after the first comma, insert "or permits ships under its registry to deliver arms, ammunition, implements of war, or other goods, wares and merchandise to that regime".

Mr. PASSMAN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. ROGERS of Texas. Mr. Chairman, first may I say I want to commend the gentleman from North Carolina [Mr. BONNER] and others interested in this problem. My effort here is to try to offer an amendment that will prevent the funds of the taxpayers of the United

States from going into any country in the world that permits ships under its registry to deliver goods to Cuba.

There are many quirks and terms in this trade situation and it is conceivable that the ships under the registry of one country may deliver goods as the agent of another country and would not be in violation of other amendments that have been offered.

My purpose here is to offer an amendment that will get to the root of the evil and prevent the delivery of any kind of goods whatever to Cuba by any country that is accepting funds from this country.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Washington.

Mr. PELLY. As I understand the gentleman's amendment, it does exactly what my amendment would do, and which was just adopted, does. In other words it would provide that none of the funds appropriated would be available for assistance to any country that permits vessels registered, enrolled, licensed, or otherwise documented under its laws to transport to Cuba. In other words, I think the gentleman is offering the same amendment as mine, which the House just accepted.

Mr. ROGERS of Texas. Did I understand the gentleman from Washington to refer to goods as "presumed strategic goods"?

Mr. PELLY. I referred to them as "arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies contained on the list—known as the 'positive list'"—maintained by the Secretary of Commerce.

Mr. ROGERS of Texas. My amendment goes just a little further and covers everything. That is the point. I know that there is a faint line of demarcation between implements of war today and implements of war tomorrow. Sometimes those goods or wares or merchandise that might be military hardware today would not be military hardware tomorrow because of a change in the positive list.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from California.

Mr. ROOSEVELT. Does this amendment include such things as food and drugs?

Mr. ROGERS of Texas. My amendment would include such things as food and drugs.

Mr. ROOSEVELT. We are today, as the gentleman knows, sending food and drugs. Under this amendment, any friends of ours that sent food and drugs in conformity with our own policy would be stricken from our list of countries receiving foreign aid.

Mr. ROGERS of Texas. I do not think we ought to be sending anything to Cuba. I do not think any country accepting money and goods from us should deliver goods to Cuba. We did not send food and drugs to Germany, Japan, and Italy, while we were at war. Castro is just as much an enemy.

I think I ought to conclude by saying that I think until we face up to this issue and face it clear across the board we are going to continue to have trouble. You cannot beg the question on Cuba. The day is going to come in the not too distant future when we are going to be faced with the proposition of either invading Cuba or backing off. I think we ought to invoke every economic sanction available to us at this time, including any influence we can have on our friendly countries, especially those countries that are taking aid from us.

The CHAIRMAN. Does the gentleman from Louisiana withdraw his point of order?

Mr. PASSMAN. Mr. Chairman, I withdraw my point of order, but I ask to be recognized in opposition to the amendment.

I wish we might have an opportunity to study these amendments and see how far reaching they may be. I hope the House will vote down this amendment and then, if the gentleman from Texas should give us the opportunity in the future, we would be pleased to discuss the matter with him.

Mr. JOELSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, of course, we all, I am sure, are very exercised about the fact of our allies in any way, directly or indirectly, aiding Cuba. We must be continuously on the alert to stop this outrageous state of affairs. But in order to understand this proposed amendment, I would like to ask the author of this amendment if, for instance, West German ships were being chartered to Russia which was in turn shipping goods to Cuba, would this mean that tomorrow we would have to stop any military assistance to West Germany?

Mr. ROGERS of Texas. Yes.

Mr. JOELSON. Then, I think we ought to be cognizant of that fact when we vote on it.

Mr. TOLLEFSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, one of the most serious problems confronting our Nation in recent days and weeks is the shipment to Cuba of strategic military materiel. Our citizens are most concerned, and are urging our Government to do something to prevent the buildup of a Communist military base 90 miles off our shores. The President and Members of Congress have also expressed concern, and have come forward with suggested courses of action. As a matter of fact, both Houses of Congress will soon act upon a resolution stating the policy of the United States with regard to the situation. It expresses similar views to those advanced by the President. But, my colleagues, the resolution and many of the suggestions advanced are only statements. They offer no real practical solution to the problem which confronts us. The most practical solution to that problem has been offered by the gentleman from Texas [Mr. ROGERS]. It presents a very real method of keeping those nations who accept our aid from permitting the carriage by their ships of materiel which Castro's Cuba needs. Castro will fall in time if he does not

receive help from other nations. Mr. Chairman, I supported the other amendments offered which seek to deal with this matter, but in my humble opinion, and desirable as these amendments may be, they do not go far enough. They reach and seek to solve only a small part of the problem.

If the House of Representatives really wants to deal effectively with the Cuban situation it will approve the amendment offered by my distinguished colleague from Texas, Mr. ROGERS.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I suggest that this amendment be withdrawn by my distinguished friend, the gentleman from Texas. It might lead us to world war III and leave us unprepared with allies.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, what we must carefully realize is this. Under the Constitution of the United States, and court decisions through the years, the matter of foreign policy is in the hands of the President of the United States. He has the ultimate decision. He has the ultimate responsibility. Secondly, a large body such as this Congress, with 437 Members, cannot deal with the finesse and with the study and the care that is necessary in making these decisions. Thirdly, the Committee on Appropriations has gone over this measure, and the chairman of this particular subcommittee, the gentleman from Louisiana [Mr. PASSMAN], urges the defeat of this particular amendment. Such multiple restrictions added by these amendments will unduly hamper the administration of this act. I feel if we make the bill so restricted that the President does not have an opportunity to exercise his full discretion, then we are not within the spirit of the Constitution and the U.S. Supreme Court decisions.

Finally, may I say this? The House Committee on Foreign Affairs of this great Congress, this great committee, has passed on this legislation. It watches our U.S. foreign policy closely. Just as you do not want anything of strategic value to go to Cuba, neither do I want anything to go to Cuba, that might in any way jeopardize our U.S. security. But certainly we do not want people starving who may later be our friends, and in the free world, our chief asset is freedom of choice for our allies and friends. I feel the people of Cuba have had an imposition made on them. I feel if they are given an opportunity, they will overthrow that Government, which is a dictatorship by military rule. May I say in final conclusion, Mr. Chairman, that this question is one of balance. We must carefully look to see whether by restrictive and demanding amendments, we hurt the North Atlantic Treaty Organization upon which our own security depends. We in Congress must place prime consideration on keeping the North Atlantic Treaty and the Rio Treaty in operation for our U.S. security and the defense of the Atlantic Community of Nations and the free world. These are mutual security treaties voluntarily agreed to by free

nations, of the highest importance to our American people.

Simply because some of our allies at this time do not see that the actions proposed in these amendments on Cuba are in the interest of the highest U.S. security they must be reasoned with, argued with, they must be consulted with, and patience must be a friendly and constant virtue. I must say to you that if an arbitrary restrictive position is taken here by the House as against what the House Appropriations Committee has said that they feel should be done, I believe it would be a mistake.

I am a Republican, I am a supporter of the U.S. bipartisan foreign policy. I rejoice that we drop partisan lines in working for the security of our country. President Kennedy is my President, he is your President, and I feel that the passage of such amendments could be taken as some lack of confidence that will be taken advantage of by people who are not friendly to us.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. PASSMAN. We have, of course, already adopted two amendments to this section. I believe they can be lived with, that we can work them out. There is another amendment pending. If you get too many amendments to the same section you may make it unworkable and impossible to live with. But I feel in the case of the two amendments which have been adopted we can work it out, but if you now add a third amendment to the same section it may make it very complicated, too complicated to work out. That is why I ask you to vote down the amendment.

Mr. FULTON. I agree with the gentleman from Louisiana on this point. We are all agreed in principle; the question is, How do we implement the principle? This is not the place to fix rigid limits on U.S. foreign policy. We can express ourselves on general policy direction, we can make our views known to the President, but we must all realize that in the final analysis, the ultimate responsibility is his. He is the Commander in Chief of this country. Under the Constitution of the United States and decisions of the U.S. Supreme Court, the Executive through the U.S. Department of State, and in the case of treaties, and Ambassadors, and so forth, with the advice and consent of the Senate. The Executive takes the responsibility for the foreign policy of this country, and carries it on from day to day in many parts of the world. While I agree with the spirit of the amendment, I for one will not bind the President's hands in derogation of our North Atlantic Treaty Organization and the Rio Treaty simply because some of the individual member states may be wrong. It is a question of whether we should affect this alliance or any other alliance. Our North Atlantic Treaty alliance are two of the strongest foundations we have in our U.S. national defense and the security of the free world.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. PILLION. Will the gentleman give me the citation from the Constitution which places the foreign policy solely in the hands of the President?

Mr. FULTON. I cannot cite a specific article and section, but it certainly is clear that under the Constitution and the decisions of the U.S. Supreme Court, the President has that sole power, with the advice and consent of the Senate in certain instances, and of course the money to be supplied by the Congress.

Mr. PILLION. I must disagree with the gentleman.

Mr. FULTON. Secondly, the President under article 2 is the Commander in Chief, and the Executive power is vested in the President by that article.

Mr. PILLION. The gentleman will find that responsibility for the defense of this country rests with the Congress solely and wholly.

Mr. FULTON. Does the gentleman think that this body with nearly 600 Members can decide what the balance of interest is between the North Atlantic Treaty Organization, the Rio Treaty, the Organization of American States, and any hire contracts for transportation by various free-world countries?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent Mr. FULTON was allowed to proceed for 1 additional minute.)

Mr. FULTON. Why try in advance to meet many complicated circumstances of which this is only one, and our Members certainly have not been briefed in secret as a body. This is restricted only to Cuba, but it equally should apply to Communist China, North Vietnam, and North Korea. So it is not a correctly drawn amendment.

Mr. PILLION. This Congress too often assumes that the President has full responsibility for the foreign policy of this country. That is why we are in the desperate situation we are in today, because we have neglected our own responsibility in dealing with world political and foreign policy matters.

Mr. FULTON. Let me ask the gentleman this question: Why should not nations who trade with Communist China be included in this policy as well as Cuba? I say the amendment is deficient, and is not based on a broadly conceived and carefully studied policy.

Mr. CRAMER. Mr. Chairman, I move to strike out the necessary number of words.

Mr. Chairman, I have been advocating for a long time that effective action be taken with regard to Cuba, with regard to the Communist conspiracy that exists there 90 miles from our shores which threatens the Western Hemisphere.

One of the most effective things the United States could do would be to encourage the Cuban refugees form a Cuban government in exile which would be recognized by the United States Government. Then they might organize themselves and win their own freedom in Cuba. This certainly has not as yet been done despite interest expressed in this approach by President Kennedy when running as a candidate for the Presidency.

It has been further recommended by myself and others that the U.S. Government inform Mao Tse-tung and Khrushchev that we do not intend to permit, contrary to the Monroe Doctrine, any shipment in the future of heavy war materiel, contrary to the Monroe Doctrine that was reenunciated at the meeting of the Organization of American States at Punta del Este. Those Communist nations should be advised to the effect that the inshipment of such Communist war materiel is in violation of this doctrine and should be terminated immediately.

I am proud to say this House has finally taken some affirmative action putting into effect a number of those recommendations by amendments to section 107 of H.R. 13175 and an additional one which is now under consideration. That is why I support the amendment now pending to cut off Alliance for Progress funds or other foreign aid money to any country that does business with Fidel Castro and thus the Communists in Cuba. This also means any other foreign aid money for countries that might do business with Cuba, not only as it relates to war materiel shipments but as it relates to giving Castro what he needs to stay in business, which is money, and goods, or economic support through trade channels.

I was in Warsaw over the recess period last year, and I found out something about the half billion dollars in foreign aid and foodstuffs that had been sent to Poland by the United States, which I might add was largely used by the Polish Government to keep itself in power as a Communist regime. At that time Poland was also asking for another \$160 million worth of our foodstuffs and the substance of this country, paid for by the American taxpayers, and at that time what was Poland doing? It was buying \$18 million worth of sugar from Cuba, which they did not need. It has a surplus of sugar now. This was obviously on orders from the Kremlin to buy \$18 million of sugar from Cuba, giving it economic substance which keeps Castro going. They were not at that time providing Cuba with military assistance, but they were providing Cuba with shipyard equipment. Again I say that illustrates why this amendment is needed.

This country has taken action similar to this amendment. This country has cut off the economic substance in dollars from Cuba by putting into effect a sugar embargo. This country has sanctioned exactly on behalf of itself what this amendment calls for on the part of our foreign aid recipients, and that simply is that there shall be no aid to any country that does business with and gives Fidel Castro and the Cuban Communists what they have to have to keep going in Cuba, and that is economic help and economic substance. That is equally as important, as far as keeping the Communist regime in power in Cuba is concerned, as would be military materiel, because Castro cannot keep going much longer if he does not continue to get economic assistance from these countries in the form of goods.

This amendment I think is essential if we are going to close existing loopholes, if we are going to stop Poland from taking our foodstuffs to the tune of a half billion dollars and at the same time giving economic assistance and substance to Castro and to his regime.

Mr. Chairman, I trust the amendment will be adopted and that it will be followed up by its implementation by the administration. The American people demand action in dealing with Castro and the Communists.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ROGERS].

The amendment was agreed to.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike the requisite number of words.

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, I take this time for the purpose of explaining the motion to recommit which I will offer at the proper time. It will read as follows:

On page 3, after line 15, insert the following: "Of the foregoing amount under the heading 'Economic Assistance' not to exceed \$2,230,400,000 in the aggregate shall be available for such purposes."

Mr. Chairman, the purpose of this amendment is to strike \$100 million from the category known as Economic Assistance. It is from the economic assistance at large. If this is adopted, the Executive will be allowed to select where he wants the \$100 million to come from, and he can take it from any "spigot" he desires.

Mr. Chairman, lest anyone think that this is a meat-ax approach, let me discuss with the members of the Committee the state of the bill which we have pending before us today. We have heard and read in the various periodicals that this is a bill which has been cut drastically. Let us compare it with some of the other appropriations which we have made over the past few years:

In 1956 we appropriated \$2,703 million. In 1957, \$3,766 million; in 1958, \$2,768 million; in 1959, \$3,298 million; in 1960, \$3,225 million; in 1961, \$3,716 million; in 1962, \$3,914 million, and this bill, in titles I and II, is approximately \$3,330 million. So, this bill is just about the same size as the other bills which we have acted upon for this purpose during the last 7 years.

Mr. Chairman, least anyone think that this hamstrings the Executive, permit me to point out this fact: In this same title there is \$225 million appropriated for a contingency fund. This fund is available for any purpose for which this act can be utilized. It is as broad as a barn. Parenthetically, this is one of the facets of the bill which many of us feel should be tightened. Also, there is transferability in this bill. Ten percent of practically every cent which we appropriate in title I can be transferred from one category to another, with certain exceptions. You can transfer money out of military assistance, but you cannot transfer it in. There are other exceptions, but it all adds up to

the fact that there is about \$290 million worth of transferability contained in this bill. So we have flexibility in the hands of the Executive in this bill amounting to some \$515 million. This, I submit, is a great amount of flexibility. In fact, perhaps, it is more flexible than the taxpayers of the United States can stand.

Mr. Chairman, permit me to also point out the fact, as the gentleman from Louisiana has said from time to time, the pipeline in this program is not going down; it is going up. The gentleman's letter of September 12 addressed to all the Members of the House, points out that the unexpended funds for this program, as of June 30, 1962, amount to almost \$2 billion more than they did on June 30, 1960. So, lest anyone feel that the foreign aid program has been starving to death, I bring these facts and figures to you so that you will realize that we really, instead of being niggardly with this program, have been quite liberal with it. I feel that the interest of the taxpayers, and the interest of the nations we help, alike will be furthered by the cut of an additional \$100 million in this way, which allows the Executive to place the cut wherever he desires to do so.

Mr. PASSMAN. Mr. Chairman, will the distinguished gentleman from Arizona yield?

Mr. RHODES of Arizona. I yield to the gentleman from Louisiana.

Mr. PASSMAN. It is, of course, going to be rather difficult to oppose my good friend, the gentleman from Arizona [Mr. RHODES]. We have worked very long and hard on this bill.

Mr. RHODES of Arizona. The Chairman does not have to oppose me.

Mr. PASSMAN. I mean on the re-committal motion.

In the circumstances, I cannot support the amendment.

The CHAIRMAN. The time of the gentleman from Arizona [Mr. RHODES] has expired.

Mr. RHODES of Arizona. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. HAYS. Mr. Chairman, I object.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the subcommittee and also in the full committee we have gone over this bill very carefully. Some of us, including myself, have very strong feelings that the bill is still higher than it should be, although we have made some substantial reductions; in fact, the largest dollar cut, percentagewise, that we have ever made. We trust that, in the circumstances, the House will support the subcommittee and the full committee in the recommendations that have been made.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GROSS. Would not the gentleman like to have just a little bit of elbowroom when he goes over to the other body?

Mr. PASSMAN. I am not sure I understand the gentleman.

Mr. GROSS. Would not the gentleman like to have a little bit more elbow-

room, which he would have if we cut this another \$100 million?

Mr. PASSMAN. I might say to the gentleman that we try very hard to protect the position of the House in conference. I believe the record is quite clear on that point.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. PASSMAN. I yield.

Mr. GROSS. One year we got this bill back here on the last night of the session, about 3 or 4 o'clock in the morning.

Mr. PASSMAN. We finished at 5:00.

Mr. GROSS. It had then become an omnibus appropriation bill. As I remember there were some 60 amendments, and about 30 of them were not germane to the bill. Can the gentleman give us any assurance tonight that we will not make another omnibus appropriation bill out of this, and get it back here in the bowels of the morning or the bowels of the night?

Mr. PASSMAN. There is a supplemental money bill pending which should include the items that the gentleman is talking about.

Mr. GROSS. I am afraid it will catch too much.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Chairman, I want to make it crystal clear that the motion to recommit does not apply to the military assistance program part of the bill.

Mr. PASSMAN. Nevertheless, I hope the House will stay with the recommendations of the subcommittee.

Mr. KITCHIN. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KITCHIN: Add a new section to the title on page 8, after line 4, to read:

"SEC. 113. None of the funds appropriated or made available pursuant to this act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to pay in whole or in part any assessments, arrearages or dues of any member of the United Nations.

Mr. HAYS. Mr. Chairman, I make the point of order that this is legislation on an appropriation bill.

The CHAIRMAN. The gentleman from Ohio [Mr. HAYS] makes the point of order that the amendment offered by the gentleman from North Carolina is legislation on an appropriation bill. Does the gentleman from North Carolina desire to be heard on the point of order?

Mr. KITCHIN. Mr. Chairman, only to the extent that I follow the same language that appears in sections 109, 110, and 111 of the bill. It is a limitation on the expenditures of the funds in the title. I do not think it is legislation.

The CHAIRMAN (Mr. MILLS). The Chair has had an opportunity to read the language of the amendment offered by the gentleman from North Carolina [Mr. KITCHIN] to which the gentleman from Ohio [Mr. HAYS] makes a point of order.

The language of the gentleman's

amendment is a limitation upon the use of funds contained in the bill and is, therefore, in order as a limitation. The Chair overrules the point of order.

Mr. GALLAGHER. Mr. Chairman, I make the point of order that the amendment is not germane to this bill.

The CHAIRMAN. The gentleman is saying that he makes a point of order to this amendment that it is not germane to this bill?

Mr. GALLAGHER. Yes.

The CHAIRMAN. The amendment says:

None of the funds appropriated or made available pursuant to this Act—

That is this very bill.

Mr. GALLAGHER. This amendment was covered in the United Nations bond bill last week.

The CHAIRMAN. That may be so, but it is still germane to this bill because it deals with funds contained in this bill. The Chair therefore overrules the point of order.

Mr. KITCHIN. Mr. Chairman, I will not take the entire 5 minutes. I do not think it is needed. I think the matters contained in this amendment were pretty well discussed when the U.N. bond bill was before us a few days ago.

I think the colloquy between the gentleman from North Carolina [Mr. FOUNTAIN] and the chairman of the committee is of record. I think that this amendment is needed. I think the evidence was pretty well before us that there were transfers of funds coming out of contingency funds and other funds that went into the payment of dues and arrearages of assessments of other nations. I feel this is necessary in this title, particularly in view of the fact that in this bill on page 3, beginning in line 1, there are the words, "contingency fund: for expenses authorized by section 451(a), \$225 million," together with other items mentioned in this bill. I think probably there have been transfers to effect this type of payment of dues and arrearages of other nations in the United Nations and I think this is one time we can tie down what the chairman of the Committee on Foreign Affairs said the other day was an understanding, but we can certainly tie it down in this bill and make certain that no funds available under this title shall be used to pay any arrearages of assessments or dues of any member of the United Nations.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. KITCHIN. I yield.

Mr. SMITH of Virginia. There was so much confusion in the Chamber that I am not sure just what the gentleman's amendment means. Am I correct that what this amendment does is to prohibit the practice of many nations to whom we contribute financial aid of taking our money and paying their dues to the United Nations with it, so that it makes us pay much more than the amount we are now paying?

Mr. KITCHIN. I think it would, and it would go further. It would say that none of the emergency funds utilized by agencies of our Government can be used by transfer or otherwise to pay these as-

sessments of other members of the United Nations.

Mr. SMITH of Virginia. In other words, this is intended to make some of these other nations pay their own way?

Mr. KITCHIN. That is exactly right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. KITCHIN].

The amendment was agreed to.

Mr. MONAGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONAGAN: On page 8, after line 4, insert the following:

"SEC. 113. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any capital project financed by loans or grants from the United States where the United States has not selected directly the firms to provide engineering, procurement, and construction services on such project."

Mr. MONAGAN. Mr. Chairman, the purpose of this amendment is to retain U.S. control over the contracting and the precontracting procedures of capital projects that are financed through the foreign aid program.

Two months ago a policy was enunciated by the AID Agency under which a capital project, which means a project in excess of \$100,000, would no longer be subject insofar as its contracting and precontracting procedures were concerned, that is, the engineering studies, architectural studies, and the actual letting of the contract, to the supervision of the Agency itself.

In other words, as a result of this policy, all these procedures would be left to the grantee or the beneficiary country and the AID Agency would only have a postcontractual supervision over these capital contracts in excess of \$100,000.

The policy statement was that AID will administer these projects by controlling and monitoring the use of the funds rather than by direct involvement in the contracting, engineering, procurement, and construction procedures. These arrangements would be made by the borrower or grantee directly with the firm it would select to do the particular work in question.

The thrust of the policy would be to place responsibility upon the recipient country and not to retain it in the U.S. AID Agency.

It seems to me, Mr. Chairman, that we have had sufficient difficulty up to now with capital contracts in which we have retained control, we have seen numerous instances of negligence, of misfeasance, and of criminality and these have occurred under U.S. control. Therefore, I suggest this is not a time to change this policy. And the purpose of my amendment, Mr. Chairman, is to reinstate control by our Government of these vital contracting procedures.

Without this supervision we could have a global fiscal free lunch counter such as we have never seen before.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield.

Mr. HARDY. Unless this amendment is adopted, this Congress would have no

way in the world that it could get any information about performance on contracts or projects in any of our AID activities. Is that not correct?

Mr. MONAGAN. Certainly. It would make it extremely difficult to do so.

Mr. HARDY. And if the contract is awarded by the grantee, there will not be any way that we can examine it. Is that not correct?

Mr. MONAGAN. That is correct.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield to the gentleman from Michigan.

Mr. MEADER. This amendment would stop this policy which, if it goes into effect, would permit these foreign countries, using their somewhat loose procurement practices, to spend our money; and to find out how they did it, we would have to ask the questions of a foreign official, because all the AID people would tell us is, "We do not have anything to do with that any more. We let the recipient take care of the contracts on these projects."

This new policy would defy the Committee on Appropriations, the Foreign Affairs Committee, and the Foreign Operations Subcommittee of Government Operations and deprive them of the opportunity to find out how the money is spent, because our officials would say, "We are no longer responsible for it."

Mr. MONAGAN. The gentleman is correct, except that this policy is in effect at the present time.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield.

Mr. HAYS. All I can say about the gentleman's amendment is that if he thinks this will cure any skullduggery, he is in error, and if he thinks he is going to get any information, then he has not tried to get any from some of the American companies that have been involved in the very thing that he is trying to prevent. They will not give you any information.

Mr. MONAGAN. I have been involved and have been trying to get information for 4 years with the Hardy committee. I know something about the problem, and I believe this amendment would be helpful in this regard.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield to the gentleman from Michigan.

Mr. FORD. I wholeheartedly concur in the recommendations made by the gentleman from Connecticut. The amendment is necessary if we on our committee and you on the Hardy committee and others on the Committee on Foreign Affairs are to get the information and to have the means of preventing abuses not only after the fact but before the fact. I hope the amendment is approved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. MONAGAN].

The amendment was agreed to.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 8, after line 4, insert the following:

"SEC. 113. Of the funds appropriated or made available pursuant to this Act not more than \$4,000,000 may be used during the fiscal year ending June 30, 1963, in carrying out section 241 of the Foreign Assistance Act of 1961, as amended."

Mr. HARDY. Mr. Chairman, this morning my subcommittee issued part I of a report based on an extensive examination of the contract operations of AID's Office of Research, Evaluation and Planning Assistance Staff (REPAS). The purpose of my amendment is to correct the serious administrative and procedural deficiencies we found, most of which were caused by too much money at the disposal of REPAS. That office obligated approximately \$8½ million during the 6 months of its existence—it was established on December 29, 1961—and 70 percent of this obligation took place in the closing days of the fiscal year to prevent the return of the funds to the Treasury. Of the cross-section of the contracts examined by my subcommittee none could be classified as "research" as intended by Congress when in section 241 of the Foreign Assistance Act of 1961 funds were authorized for research programs. They were merely commodity or service contracts disguised as research. They were not developed in REPAS but "sold" to that office by other sections of AID which did not have a large enough budget to carry them out. One contract was for a solar-powered boat to sail the rivers of Surinam. Another was for 1,000 23-inch transistorized television sets to be used for educational programs in the jungle.

I am in complete agreement with the need for research in connection with our AID program—but what REPAS has been doing bears little resemblance to what we have a right to expect.

By reducing the funds available to it, that office will be compelled to be far more selective in its operations and may pay more attention to its basic function as reflected by the legislative history of section 241. There Congress expressed its intent that the research office should gather together and analyze the material already prepared by the research community and put it in a form which would be useful to AID in getting maximum results with U.S. aid dollars.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from New York.

Mr. ROONEY. Does the gentleman know how much was requested by the President for the purpose of research?

Mr. HARDY. I am not sure whether there was actually a budget item for this Office?

Mr. ROONEY. The President requested \$20 million for that purpose. The gentleman would reduce that \$20 million to \$4 million. I cannot go along with this proposed amendment.

Mr. HARDY. I was aware that this office is hoping to have \$20 million for next year but I must say this to my friend that if utilization of research funds is no better in the future than it has been in the past even the \$4 million



Mr. ROGERS of Texas changed his vote from "yea" to "nay".

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. PASSMAN. Mr. Speaker, on passage I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 249, nays 144, not voting 42, as follows:

[Roll No. 242]

YEAS—249

Addabbo	Garmatz	Nedzl
Albert	Gary	Nelsen
Arends	Glaimo	Nix
Ashley	Gilbert	Norblad
Aspinall	Glenn	O'Brien, N.Y.
Auchincloss	Gonzalez	O'Hara, Ill.
Avery	Granahan	O'Hara, Mich.
Ayres	Gray	O'Neill
Bailey	Green, Oreg.	Osmers
Baldwin	Green, Pa.	Ostertag
Barrett	Griffin	Passman
Barry	Grlifiths	Patman
Bass, Tenn.	Gubser	Pelly
Bates	Hagen, Calif.	Perkins
Beckworth	Halleck	Peterson
Bell	Halpern	Hansen
Bennett, Fla.	Harding	Philbin
Blatnik	Harding	Pike
Boggs	Hardy	Pirnie
Boland	Hays	Powell
Bolling	Healey	Price
Bolton	Hechler	Pucinski
Boykin	Herlong	Purcell
Brademas	Holifield	Quie
Brewster	Holland	Rains
Bromwell	Horan	Randall
Brooks, Tex.	Hosmer	Reuss
Broomfield	Huddleston	Rhodes, Pa.
Broyhill	Inouye	Riehman
Burke, Ky.	Joelson	Roberts, Ala.
Burke, Mass.	Johnson, Calif.	Roberts, Tex.
Byrne, Pa.	Johnson, Md.	Roblson
Byrnes, Wis.	Johnson, Wis.	Rodino
Cahill	Jones, Ala.	Rooney
Cannon	Jones, Mo.	Roosevelt
Carey	Karsten	Rosenthal
Celler	Karth	Rostenkowski
Chamberlain	Kastenmeier	Ryan, Mich.
Chelf	Keith	Ryan, N.Y.
Chipcrfield	Kelly	St. Germaln
Clark	Keogh	Santangelo
Coad	Kilburn	Schneebeli
Cohelan	King, Calif.	Schweiker
Conte	King, Utah	Schwengel
Cook	Kirwan	Scranton
Cooley	Kluczynski	Seely-Brown
Corbett	Kowalski	Selden
Corman	Kunkel	Shelley
Cramer	Kyl	Sheppard
Curtin	Lane	Sibal
Curtis, Mass.	Langen	Sisk
Daddario	Lankford	Slack
Dague	Lesinski	Smith, Iowa
Daniels	Libonati	Smith, Miss.
Davis, Tenn.	Lindsay	Springer
Dawson	McDowell	Stafford
Delaney	McFall	Staggers
Dent	Macdonald	Stratton
Derounian	Madden	Stubblefield
Dingell	Magnuson	Sullivan
Dominick	Mahon	Tague, Calif.
Donohue	Malliard	Thompson, N.J.
Downing	Marshall	Thompson, Tex.
Doyle	Mathias	Thornberry
Dulski	Matthews	Toll
Dwyer	Meader	Tollefson
Edmondson	Merrow	Trimble
Elliott	Miller, Ciem	Tupper
Ellsworth	Miller, George P.	Udall, Morris K.
Everett	Miller, N.Y.	Ullman
Evins	Milliken	Vanik
Fallon	Mills	Wallhauser
Farbstein	Monagan	Walter
Fascell	Montoya	Watts
Feighan	Moorhead, Pa.	Wcaver
Fenton	Morgan	Wickersham
Flood	Morrison	Wldnall
Fogarty	Morse	Wright
Ford	Mosher	Yates
Frazier	Moss	Younger
Frelenghuyzen	Multer	Zablocki
Friedel	Murphy	Zelenko
Fulton	Natcher	
Gallagher		

#### NAYS—144

Abblitt	Gathings	Moulder
Abernethy	Gavin	Murray
Adair	Goodell	Nygaard
Alexander	Goodling	O'Konski
Alford	Grant	Pfost
Alger	Gross	Pillion
Andersen,	Hagan, Ga.	Poage
Minn.	Haley	Poff
Anderson, Ill.	Hall	Ray
Andrews	Harris	Reece
Ashbrook	Harrison, Va.	Rhodes, Ariz.
Ashmore	Harrison, Wyo.	Rivers, S.C.
Baker	Harsha	Rogers, Fla.
Baring	Harvey, Mich.	Rogers, Tex.
Battin	Hemphill	Roudebusch
Becker	Henderson	Roush
Beermann	Hiestand	Rousselot
Bclcher	Hoeven	Rutherford
Bennett, Mch.	Hoffman, Ill.	St. George
Berry	Ichord, Mo.	Saylor
Betts	Jarman	Schadeberg
Bonner	Jennings	Schenck
Bow	Jensen	Scherer
Bray	Johansen	Scott
Brown	Jonas	Shipley
Bruce	Kearns	Short
Burleson	Kilgore	Shriver
Casey	King, N.Y.	Siler
Cederberg	Kitchlin	Smith, Calif.
Chenoweth	Knox	Smith, Va.
Church	Kornegay	Steed
Clancy	Lalrd	Stephens
Collier	Latta	Taber
Colmer	Lennon	Taylor
Cunningham	Lipscomb	Teague, Tex.
Curtis, Mo.	McCulloch	Thomson, Wis.
Davis, John W.	McIntire	Utt
Derwinski	McMillan	Van Pelt
Devine	McVey	Waggoner
Diggs	Mack	Westland
Dorn	Martin, Nebr.	Wharton
Dowdy	May	Whitener
Durno	Michel	Williams
Findley	Minshall	Willis
Fisher	Moeller	Wilson, Ind.
Flynt	Moore	Winstead
Forrester	Moorehead,	Young
Fountain	Ohio	
Garland	Morris	

#### NOT VOTING—42

Anfuso	Hull	Rivers, Alaska
Bass, N.H.	Judd	Rogers, Colo.
Blitch	Kee	Saund
Breeding	Landrum	Sikes
Buckley	Loscr	Spence
Davis,	McDonough	Thomas
James C.	McSween	Thompson, La.
Denton	MacGregor	Tuck
Dole	Martin, Mass.	Van Zandt
Dooly	Mason	Vinson
Finnegan	Norrell	Weis
Fino	O'Brien, Ill.	Whalley
Harvey, Ind.	Pilcher	Wilson, Calif.
Hébert	Reifel	
Hoffman, Mich.	Riley	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Martin of Massachusetts for, with Mr. Hull against.

Mr. Hébert for, with Mr. Sikes against.

Mr. Breeding for, with Mr. Pilcher against.

Mr. Anfuso for, with Mr. Tuck against.

Mr. Buckley for, with Mr. James C. Davis against.

Mr. O'Brien of Illinois for, with Mr. Thompson of Louisiana against.

Mr. Rivers of Alaska for, with Mr. Landrum against.

Mr. Rogers of Colorado for, with Mrs. Blitch against.

Mr. Judd for, with Mr. Reifel against.

Mr. Denton for, with Mr. Harvey of Indiana against.

Mr. Van Zandt for, with Mr. Mason against.

Mr. MacGregor for, with Mrs. Riley against.

Mr. Loser for, with Mr. McDonough against.

Mr. Kee for, with Mr. Hoffman of Michigan against.

Until further notice:

Mr. Finnegan with Mr. Dole.

Mr. McSween with Mrs. Weis.

Mr. Thomas with Mr. Fino.

Mr. Spence with Mr. Dooley.

Mrs. Norrell with Mr. Bass of New Hampshire.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### CORRECTION OF SECTION NUMBERS

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers on the bill just passed.

The SPEAKER pro tempore (Mr. Boggs). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

#### GENERAL LEAVE TO EXTEND

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

#### GENERAL LEAVE TO EXTEND

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD immediately following those of the Speaker of the House on the subject of the retirement of the gentleman from New York [MR. TABER].

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGowen, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 11164. An act to approve an amendatory repayment contract negotiated with the Quincy Columbia Basin Irrigation District, authorize similar contracts with any of the Columbia Basin irrigation districts, and to amend the Columbia Basin Project Act of 1943 (57 Stat. 14), as amended, and for other purposes.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 230. Joint resolution expressing the determination of the United States with respect to the situation in Cuba.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3451) entitled "An act to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed, and for other purposes,"

87<sup>TH</sup> CONGRESS  
2D SESSION

# H. R. 13175

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 1962

Mr. PASSMAN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

SEPTEMBER 20, 1962

Ordered to be printed as passed

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## AN ACT

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the fiscal  
5       year ending June 30, 1963, namely:

6       **TITLE I—FOREIGN AID (MUTUAL SECURITY)**

7           **FUNDS APPROPRIATED TO THE PRESIDENT**

8       For expenses necessary to enable the President to carry  
9       out the provisions of the Foreign Assistance Act of 1961,  
10      as amended, to remain available until June 30, 1963,  
11      unless otherwise specified herein, as follows:

## 1                   ECONOMIC ASSISTANCE

2         Development grants: For expenses authorized by section  
3     212, \$225,000,000.

4         American hospitals abroad (special foreign currency  
5     program) : For assistance authorized by section 214 (b)  
6     for hospital construction, \$2,800,000, to be used to pur-  
7     chase foreign currencies which the Treasury Department  
8     determines to be excess to the normal requirements of the  
9     United States.

10        Investment guaranties: For expenses authorized by  
11     section 222 (f), \$30,000,000, to remain available until  
12     expended.

13        International organizations and programs: For expenses  
14     authorized by section 302, \$148,900,000: *Provided*, That  
15     no part of any other appropriation contained in this Act  
16     may be used to augment funds or programs contained in  
17     this paragraph.

18        Supporting assistance: For expenses authorized by  
19     section 402, \$350,000,000.

20        Contingency fund: For expenses authorized by section  
21     451 (a), \$225,000,000.

22        Alliance for Progress, development loans: For assistance  
23     authorized by section 252, \$425,000,000, to remain available  
24     until expended.

**1**        Alliance for Progress, development grants: For expenses  
**2**        authorized by section 252, \$100,000,000.

**3** Development loans: For expenses authorized by section  
**4** 202 (a), \$775,000,000, to remain available until expended.

**5**      Administrative expenses: For expenses authorized by  
**6** section 637 (a), \$46,000,000.

7       Administrative and other expenses: For expenses  
8   authorized by section 637 (b) of the Foreign Assistance Act  
9   of 1961 and by section 305 of the Mutual Defense Assistance  
10   Control Act of 1951, as amended, \$2,700,000.

## MILITARY ASSISTANCE

12        Military assistance: For expenses authorized by section  
13      504 (a) of the Foreign Assistance Act of 1961, including  
14      administrative expenses authorized by section 636 (g) (1)  
15      of such Act, which shall not exceed \$24,000,000 for the cur-  
16      rent fiscal year, and purchase of passenger motor vehicles  
17      for replacement only for use outside the United States,  
18      \$1,300,000,000: *Provided*, That none of the funds con-  
19      tained in this paragraph shall be available for the purchase  
20      of new automotive vehicles outside of the United States.

21        Unobligated balances as of June 30, 1962, of funds here-  
22 tofore made available under the authority of the Foreign  
23 Assistance Act of 1961, are, except as otherwise provided

1 by law, hereby continued available for the fiscal year 1963  
2 for the same general purposes for which appropriated.

## **GENERAL PROVISIONS**

4 SEC. 101. None of the funds herein appropriated  
5 (other than funds appropriated under the authorization for  
6 "International organizations and programs") shall be used  
7 to finance the construction of any new flood control, reclama-  
8 tion, or other water or related land resource project or pro-  
9 gram which has not met the standards and criteria used in  
10 determining the feasibility of flood control, reclamation and  
11 other water and related land resource programs and projects  
12 proposed for construction within the United States of  
13 America as per circular A-47 of the Bureau of the Budget,  
14 dated December 31, 1952.

15 SEC. 102. Obligations made from funds herein ap-  
16 propriated for engineering and architectural fees and services  
17 to any individual or group of engineering and architectural  
18 firms on any one project in excess of \$25,000 shall be re-  
19 ported to the Committees on Appropriations of the Senate  
20 and House of Representatives at least twice annually.

21 SEC. 103. Except for the appropriations entitled "Con-  
22 tingency fund" and "Development loans", not more than  
23 20 per centum of any appropriation item made available by  
24 this title shall be obligated and/or reserved during the last  
25 month of availability.

1        SEC. 104. None of the funds herein appropriated nor  
2        any of the counterpart funds generated as a result of assist-  
3        ance hereunder or any prior Act shall be used to pay pen-  
4        sions, annuities, retirement pay or adjusted service compen-  
5        sation for any persons heretofore or hereafter serving in the  
6        armed forces of any recipient country.

7        SEC. 105. The Congress hereby reiterates its opposi-  
8        tion to the seating in the United Nations of the Communist  
9        China regime as the representative of China, and it is here-  
10      by declared to be the continuing sense of the Congress that  
11      the Communist regime in China has not demonstrated its  
12      willingness to fulfill the obligations contained in the Charter  
13      of the United Nations and should not be recognized to repre-  
14      sent China in the United Nations. In the event of the  
15      seating of representatives of the Chinese Communist regime  
16      in the Security Council or General Assembly of the United  
17      Nations, the President is requested to inform the Congress  
18      insofar as is compatible with the requirements of national  
19      security, of the implications of this action upon the foreign  
20      policy of the United States and our foreign relationships,  
21      including that created by membership in the United Nations,  
22      together with any recommendations which he may have with  
23      respect to the matter.

24        SEC. 106. It is the sense of Congress that any attempt  
25      by foreign nations to create distinctions because of their race

1 or religion among American citizens in the granting of per-  
2 sonal or commercial access or any other rights otherwise  
3 available to United States citizens generally is repugnant to  
4 our principles; and in all negotiations between the United  
5 States and any foreign state arising as a result of funds appro-  
6 priated under this title these principles shall be applied as  
7 the President may determine.

8 SEC. 107. (a) None of the funds provided in this title  
9 shall be available for assistance to any country, the govern-  
10 ment of which sells arms, ammunition, or implements of  
11 war to the Castro regime, or permits ships under its registry  
12 to deliver arms, ammunition, implements of war, or other  
13 goods, wares and merchandise to that regime, or which  
14 furnishes, by grant or loan, any military or economic aid  
15 to that regime, or for any expenses of transportation, directly  
16 or indirectly, by merchant marine ships of any nation whose  
17 ships are used to transport any military or economic supplies  
18 to that regime.

19 (b) None of the funds appropriated in this title shall be  
20 available for assistance to any country which permits vessels  
21 registered, enrolled, licensed, or otherwise documented under  
22 its laws to transport to Cuba, so long as it is governed by  
23 the Castro regime, any arms, ammunition, implements of  
24 war, atomic energy materials, or any articles, materials, or

1 supplies contained on the list (known as the "positive list")  
2 maintained by the Secretary of Commerce of commodities  
3 with respect to which an export license is required under the  
4 Export Control Act of 1949.

5 SEC. 108. Any obligation made from funds provided in  
6 this title for procurement outside the United States of any  
7 commodity in bulk and in excess of \$100,000 shall be  
8 reported to the Committees on Appropriations of the Senate  
9 and the House of Representatives at least twice annually:  
10 *Provided*, That each such report shall state the reasons for  
11 which the President determined, pursuant to criteria set  
12 forth in section 604 (a) of the Foreign Assistance Act of  
13 1961, that foreign procurement will not adversely affect the  
14 economy of the United States.

15 SEC. 109. No funds appropriated by title I of this Act,  
16 except funds appropriated under that section entitled "Amer-  
17 ican hospitals abroad (special foreign currency program)"  
18 shall be expended in, or for the benefit of, any nation whose  
19 government is based upon that theory of government known  
20 as Communism.

21 SEC. 110. None of the funds appropriated or made avail-  
22 able pursuant to this Act for carrying out the Foreign  
23 Assistance Act of 1961, as amended, may be used for mak-  
24 ing payments on any contract entered into after the date of

1 enactment of this Act which does not contain a provision  
2 authorizing the termination of such contract for the conven-  
3 ience of the United States.

4 SEC. 111. None of the funds appropriated or made  
5 available under this Act for carrying out the Foreign As-  
6 sistance Act of 1961, as amended, may be used to make pay-  
7 ments with respect to any contract for the performance of  
8 services outside the United States by United States citizens  
9 where such citizens have not been investigated for loyalty and  
10 security in the same manner and to the same extent as would  
11 apply if they were regularly employed by the United States

12 SEC. 112. None of the funds appropriated or made  
13 available under this Act for carrying out the Foreign Assist-  
14 ance Act of 1961, as amended, may be used to make pay-  
15 ments with respect to any capital project financed by loans  
16 or grants from the United States where the United States  
17 has not directly selected the firms to provide engineering,  
18 procurement, and construction services on such project.

19 SEC. 113. Of the funds appropriated or made available  
20 pursuant to this Act not more than \$4,000,000 may be used  
21 during the fiscal year ending June 30, 1963, in carrying out  
22 section 241 of the Foreign Assistance Act of 1961, as  
23 amended.

24 SEC. 114. None of the funds appropriated or made  
25 available pursuant to this Act for carrying out the Foreign

1 Assistance Act of 1961, as amended, may be used to pay in  
2 whole or in part any assessments, arrearages or dues of any  
3 member of the United Nations.

4           **TITLE II—FOREIGN AID (OTHER)**

5           **FUNDS APPROPRIATED TO THE PRESIDENT**

6           **PEACE CORPS**

7       For expenses necessary to enable the President to carry  
8 out the provisions of the Peace Corps Act (75 Stat. 612),  
9 including purchase of not to exceed ten passenger motor  
10 vehicles for use outside the United States, \$52,000,000, of  
11 which not to exceed \$15,500,000 shall be available for  
12 administration and program support costs.

13       **DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS**

14       **RYUKYU ISLANDS, ARMY**

15       **ADMINISTRATION**

16       For expenses, not otherwise provided for, necessary to  
17 meet the responsibilities and obligations of the United States  
18 in connection with the government of the Ryukyu Islands,  
19 as authorized by the Act of July 12, 1960 (74 Stat. 461);  
20 services as authorized by section 15 of the Act of August 2,  
21 1946 (5 U.S.C. 55a), of individuals not to exceed ten in  
22 number; not to exceed \$3,500 for contingencies for the  
23 High Commissioner, to be expended in his discretion;  
24 hire of passenger motor vehicles and aircraft; purchase of

1 four passenger motor vehicles for replacement only; and con-  
2 struction, repair, and maintenance of buildings, utilities, fa-  
3 cilities, and appurtenances; \$7,900,000, of which not to exceed  
4 \$1,900,000 shall be available for administrative and informa-  
5 tion expenses: *Provided*, That expenditures from this appro-  
6 priation may be made outside continental United States when  
7 necessary to carry out its purposes, without regard to sections  
8 355 and 3648, Revised Statutes, as amended, section 4774  
9 (d) of title 10, United States Code, civil service or classi-  
10 fication laws, or provisions of law prohibiting payment of  
11 any person not a citizen of the United States: *Provided*  
12 *further*, That funds appropriated hereunder may be used,  
13 insofar as practicable, and under such rules and regulations  
14 as may be prescribed by the Secretary of the Army to pay  
15 ocean transportation charges from United States ports, in-  
16 cluding territorial ports, to ports in the Ryukyus for the  
17 movement of supplies donated to, or purchased by, United  
18 States voluntary nonprofit relief agencies registered with and  
19 recommended by the Advisory Committee on Voluntary  
20 Foreign Aid or of relief packages consigned to individuals  
21 residing in such areas: *Provided further*, That the President  
22 may transfer to any other department or agency any function  
23 or functions provided for under this appropriation, and there  
24 shall be transferred to any such department or agency with-  
25 out reimbursement and without regard to the appropriation

1 from which procured, such property as the Director of the  
2 Bureau of the Budget shall determine to relate primarily to  
3 any function or functions so transferred.

4 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

5 ASSISTANCE TO REFUGEES IN THE UNITED STATES

6 For expenses necessary to carry out the provisions of  
7 the Migration and Refugee Assistance Act of 1962 (Public  
8 Law 87-510), relating to aid to refugees within the United  
9 States, including hire of passenger motor vehicles, and serv-  
10 ices as authorized by section 15 of the Act of August 2, 1946  
11 (5 U.S.C. 55a), \$55,000,000: *Provided*, That this appro-  
12 priation shall reimburse other current applicable appropria-  
13 tions for activities conducted after June 30, 1962, pursuant  
14 to section 7 of the Migration and Refugee Assistance Act of  
15 1962.

16 DEPARTMENT OF STATE

17 MIGRATION AND REFUGEE ASSISTANCE

18 For expenses, not otherwise provided for, necessary to  
19 enable the Secretary of State to provide assistance to ref-  
20 ugees, as authorized by law, including contributions to the  
21 Intergovernmental Committee for European Migration and  
22 the United Nations High Commissioner for Refugees; sal-  
23 aries, expenses, and allowances of personnel and dependents as  
24 authorized by the Foreign Service Act of 1946, as amended  
25 (22 U.S.C. 801-1158); hire of passenger motor vehicles;

1 and services as authorized by section 15 of the Act of  
2 August 2, 1946 (5 U.S.C. 55a); \$14,447,000: *Provided*,  
3 That this appropriation shall reimburse other applicable  
4 appropriations for activities conducted after June 30, 1962,  
5 pursuant to section 7 of the Migration and Refugee Assist-  
6 ance Act of 1962: *Provided further*, That no funds herein  
7 appropriated shall be used to assist directly in the migration  
8 to any nation in the Western Hemisphere of any person  
9 not having a security clearance based on reasonable stand-  
10 ards to insure against Communist infiltration in the Western  
11 Hemisphere.

12           **FUNDS APPROPRIATED TO THE PRESIDENT**

13           **INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK**

14       For payment of subscriptions to the Inter-American  
15 Development Bank, to remain available until expended,  
16 \$60,000,000 for the third installment on paid-in capital stock.

17           **SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT**

18           **ASSOCIATION**

19       For payment of the third installment of the subscription  
20 of the United States to the International Development As-  
21 sociation, \$61,656,000, to remain available until expended.

## 1   TITLE III—INTERNATIONAL MONETARY FUND

## 2           FUNDS APPROPRIATED TO THE PRESIDENT

## 3           LOANS TO THE INTERNATIONAL MONETARY FUND

4       For loans to the International Monetary Fund, as au-  
5   thorized by the Act of June 19, 1962 (Public Law 87-490),  
6   \$2,000,000,000, to remain available until December 31,  
7   1966. The indefinite appropriation for the payment of  
8   interest on the public debt (31 U.S.C. 711), shall be avail-  
9   able for the payment of charges in connection with any pur-  
10   chases of currencies or gold by the United States from the  
11   International Monetary Fund.

12          TITLE IV—EXPORT-IMPORT BANK OF  
13                   WASHINGTON

14       The Export-Import Bank of Washington is hereby  
15   authorized to make such expenditures within the limits of  
16   funds and borrowing authority available to such corporation,  
17   and in accord with law, and to make such contracts and  
18   commitments without regard to fiscal year limitations as  
19   provided by section 104 of the Government Corporation  
20   Control Act, as amended, as may be necessary in carrying

1 out the programs set forth in the budget for the current fiscal  
2 year for such corporation, except as hereinafter provided:

3 . . . . . **LIMITATION ON OPERATING EXPENSES**

4 Not to exceed \$1,295,000,000 (of which not to exceed  
5 \$750,000,000 shall be for development loans) shall be  
6 authorized during the current fiscal year for other than  
7 administrative expenses.

8 . . . . . **LIMITATION ON ADMINISTRATIVE EXPENSES**

9 Not to exceed \$3,000,000 (to be computed on an  
10 accrual basis) shall be available during the current  
11 fiscal year for administrative expenses, including serv-  
12 ices as authorized by section 15 of the Act of August 2, 1946  
13 (5 U.S.C. 55a) at rates not to exceed \$75 per diem for  
14 individuals, and not to exceed \$9,000 for entertainment  
15 allowances for members of the Board of Directors:  
16 *Provided*, That (1) fees or dues to international organiza-  
17 tions of credit institutions engaged in financing foreign trade,  
18 (2) necessary expenses (including special services per-  
19 formed on a contract or fee basis, but not including other per-  
20 sonal services) in connection with the acquisition, operation,  
21 maintenance, improvement, or disposition of any real or  
22 personal property belonging to the Bank or in which it has  
23 an interest, including expenses of collections of pledged col-  
24 lateral, or the investigation or appraisal of any property in  
25 respect to which an application for a loan has been made.

1 and (3) expenses (other than internal expenses of the  
2 Bank) incurred in connection with the issuance and serv-  
3 icing of guarantees, insurance, and reinsurance shall be con-  
4 sidered as nonadministrative expenses for the purposes  
5 hereof.

6           **TITLE V—MISCELLANEOUS AGENCIES**

7           **FOREIGN CLAIMS SETTLEMENT COMMISSION**

8           **PAYMENT OF PHILIPPINE WAR DAMAGE CLAIMS**

9           For the payment of the unpaid balance of awards for  
10 war damage compensation heretofore made by the Philippine  
11 War Damage Commission, as authorized by law, \$73,000,-  
12 000, to remain available until expended, of which \$500,000  
13 shall be available for "Salaries and expenses", including an  
14 additional amount of not to exceed \$25,000 for expenses of  
15 travel.

16           **UNITED STATES INFORMATION AGENCY**

17           **ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES**

18           For an additional amount for "Acquisition and construc-  
19 tion of radio facilities", \$1,600,000, to remain available until  
20 expended.

21           **DEPARTMENT OF STATE**

22           **INTERNATIONAL ORGANIZATIONS AND CONFERENCES**

23           International Conferences and Contingencies

24           For an additional amount for "International conferences  
25 and contingencies", \$849,000.

## 1           TITLE VI—GENERAL PROVISIONS

2           SEC. 601. No part of any appropriation contained in  
3     this Act shall be used for publicity or propaganda purposes  
4     within the United States not heretofore authorized by the  
5     Congress.

6           SEC. 602. None of the funds herein appropriated shall  
7     be used for expenses of the Inspector General, Foreign As-  
8     sistance, after the expiration of the thirty-five day period  
9     which begins on the date the General Accounting Office or  
10    any committee of the Congress, or any duly authorized  
11    subcommittee thereof, charged with considering foreign as-  
12    sistance legislation, appropriations, or expenditures, has de-  
13    livered to the office of the Inspector General, Foreign Assist-  
14    ance, a written request that it be furnished any document,  
15    paper, communication, audit, review, finding, recommenda-  
16    tion, report, or other material in the custody or control of  
17    the Inspector General, Foreign Assistance, relating to any  
18    review, inspection, or audit arranged for, directed, or con-  
19    ducted by him, unless and until there has been furnished to  
20    the General Accounting Office or to such committee or sub-  
21    committee, as the case may be, (A) the document, paper,  
22    communication, audit, review, finding, recommendation, re-  
23    port, or other material so requested or (B) a certification  
24    by the President, personally, that he has forbidden the fur-

1 nishing thereof pursuant to such request and his reason for  
2 so doing.

3 SEC. 603. This Act may be cited as the "Foreign  
4 Aid and Related Agencies Appropriation Act, 1963."

Passed the House of Representatives September 20,  
1962.

Attest: RALPH R. ROBERTS,

*Clerk.*

87TH CONGRESS  
2D SESSION  
**H. R. 13175**

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**AN ACT**

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

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By Mr. PASSMAN

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SEPTEMBER 18, 1962

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

SEPTEMBER 20, 1962

Ordered to be printed as passed





87TH CONGRESS  
2D SESSION

H. R. 13175

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 1962

Read twice and referred to the Committee on Appropriations

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**AN ACT**

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the fiscal  
5       year ending June 30, 1963, namely:

6       **TITLE I—FOREIGN AID (MUTUAL SECURITY)**

7           **FUNDS APPROPRIATED TO THE PRESIDENT**

8       For expenses necessary to enable the President to carry  
9       out the provisions of the Foreign Assistance Act of 1961,  
10      as amended, to remain available until June 30, 1963,  
11      unless otherwise specified herein, as follows:

## 1                   ECONOMIC ASSISTANCE

2         Development grants: For expenses authorized by section  
3         212, \$225,000,000.

4         American hospitals abroad (special foreign currency  
5         program) : For assistance authorized by section 214(b)  
6         for hospital construction, \$2,800,000, to be used to pur-  
7         chase foreign currencies which the Treasury Department  
8         determines to be excess to the normal requirements of the  
9         United States.

10        Investment guaranties: For expenses authorized by  
11        section 222(f), \$30,000,000, to remain available until  
12        expended.

13        International organizations and programs: For expenses  
14        authorized by section 302, \$148,900,000: *Provided*, That  
15        no part of any other appropriation contained in this Act  
16        may be used to augment funds or programs contained in  
17        this paragraph.

18        Supporting assistance: For expenses authorized by  
19        section 402, \$350,000,000.

20        Contingency fund: For expenses authorized by section  
21        451(a), \$225,000,000.

22        Alliance for Progress, development loans: For assistance  
23        authorized by section 252, \$425,000,000, to remain available  
24        until expended.

1        Alliance for Progress, development grants: For expenses  
2    authorized by section 252, \$100,000,000.

3 Development loans: For expenses authorized by section  
4 202(a), \$775,000,000, to remain available until expended.

5        Administrative expenses: For expenses authorized by  
6 section 637 (a), \$46,000,000.

7        Administrative and other expenses: For expenses  
8    authorized by section 637 (b) of the Foreign Assistance Act  
9    of 1961 and by section 305 of the Mutual Defense Assistance  
10   Control Act of 1951, as amended, \$2,700,000.

## MILITARY ASSISTANCE

12        Military assistance: For expenses authorized by section  
13      504 (a) of the Foreign Assistance Act of 1961, including  
14      administrative expenses authorized by section 636 (g) (1)  
15      of such Act, which shall not exceed \$24,000,000 for the cur-  
16      rent fiscal year, and purchase of passenger motor vehicles  
17      for replacement only for use outside the United States,  
18      \$1,300,000,000: *Provided*, That none of the funds con-  
19      tained in this paragraph shall be available for the purchase  
20      of new automotive vehicles outside of the United States.

21        Unobligated balances as of June 30, 1962, of funds here-  
22 tofore made available under the authority of the Foreign  
23 Assistance Act of 1961, are, except as otherwise provided

- 1 by law, hereby continued available for the fiscal year 1963
- 2 for the same general purposes for which appropriated.

## **GENERAL PROVISIONS**

4 SEC. 101. None of the funds herein appropriated  
5 (other than funds appropriated under the authorization for  
6 "International organizations and programs") shall be used  
7 to finance the construction of any new flood control, reclama-  
8 tion, or other water or related land resource project or pro-  
9 gram which has not met the standards and criteria used in  
10 determining the feasibility of flood control, reclamation and  
11 other water and related land resource programs and projects  
12 proposed for construction within the United States of  
13 America as per circular A-47 of the Bureau of the Budget,  
14 dated December 31, 1952.

15 SEC. 102. Obligations made from funds herein ap-  
16 propriated for engineering and architectural fees and services  
17 to any individual or group of engineering and architectural  
18 firms on any one project in excess of \$25,000 shall be re-  
19 ported to the Committees on Appropriations of the Senate  
20 and House of Representatives at least twice annually.

21 SEC. 103. Except for the appropriations entitled "Con-  
22 tingency fund" and "Development loans", not more than  
23 20 per centum of any appropriation item made available by  
24 this title shall be obligated and/or reserved during the last  
25 month of availability.

1        SEC. 104. None of the funds herein appropriated nor  
2        any of the counterpart funds generated as a result of assist-  
3        ance hereunder or any prior Act shall be used to pay pen-  
4        sions, annuities, retirement pay or adjusted service compen-  
5        sation for any persons heretofore or hereafter serving in the  
6        armed forces of any recipient country.

7        SEC. 105. The Congress hereby reiterates its opposi-  
8        tion to the seating in the United Nations of the Communist  
9        China regime as the representative of China, and it is here-  
10      by declared to be the continuing sense of the Congress that  
11      the Communist regime in China has not demonstrated its  
12      willingness to fulfill the obligations contained in the Charter  
13      of the United Nations and should not be recognized to repre-  
14      sent China in the United Nations. In the event of the  
15      seating of representatives of the Chinese Communist regime  
16      in the Security Council or General Assembly of the United  
17      Nations, the President is requested to inform the Congress  
18      insofar as is compatible with the requirements of national  
19      security, of the implications of this action upon the foreign  
20      policy of the United States and our foreign relationships,  
21      including that created by membership in the United Nations,  
22      together with any recommendations which he may have with  
23      respect to the matter.

24        SEC. 106. It is the sense of Congress that any attempt  
25      by foreign nations to create distinctions because of their race

1 or religion among American citizens in the granting of per-  
2 sonal or commercial access or any other rights otherwise  
3 available to United States citizens generally is repugnant to  
4 our principles; and in all negotiations between the United  
5 States and any foreign state arising as a result of funds appro-  
6 priated under this title these principles shall be applied as  
7 the President may determine.

8 SEC. 107. (a) None of the funds provided in this title  
9 shall be available for assistance to any country, the govern-  
10 ment of which sells arms, ammunition, or implements of  
11 war to the Castro regime, or permits ships under its registry  
12 to deliver arms, ammunition, implements of war, or other  
13 goods, wares and merchandise to that regime, or which  
14 furnishes, by grant or loan, any military or economic aid  
15 to that regime, or for any expenses of transportation, directly  
16 or indirectly, by merchant marine ships of any nation whose  
17 ships are used to transport any military or economic supplies  
18 to that regime.

19 (b) None of the funds appropriated in this title shall be  
20 available for assistance to any country which permits vessels  
21 registered, enrolled, licensed, or otherwise documented under  
22 its laws to transport to Cuba, so long as it is governed by  
23 the Castro regime, any arms, ammunition, implements of  
24 war, atomic energy materials, or any articles, materials, or

1 supplies contained on the list (known as the "positive list")  
2 maintained by the Secretary of Commerce of commodities  
3 with respect to which an export license is required under the  
4 Export Control Act of 1949.

5 SEC. 108. Any obligation made from funds provided in  
6 this title for procurement outside the United States of any  
7 commodity in bulk and in excess of \$100,000 shall be  
8 reported to the Committees on Appropriations of the Senate  
9 and the House of Representatives at least twice annually:  
10 *Provided*, That each such report shall state the reasons for  
11 which the President determined, pursuant to criteria set  
12 forth in section 604 (a) of the Foreign Assistance Act of  
13 1961, that foreign procurement will not adversely affect the  
14 economy of the United States.

15 SEC. 109. No funds appropriated by title 1 of this Act,  
16 except funds appropriated under that section entitled "Amer-  
17 ican hospitals abroad (special foreign currency program)"  
18 shall be expended in, or for the benefit of, any nation whose  
19 government is based upon that theory of government known  
20 as Communism.

21 SEC. 110. None of the funds appropriated or made avail-  
22 able pursuant to this Act for carrying out the Foreign  
23 Assistance Act of 1961, as amended, may be used for mak-  
24 ing payments on any contract entered into after the date of

1 enactment of this Act which does not contain a provision  
2 authorizing the termination of such contract for the conven-  
3 ience of the United States.

4 SEC. 111. None of the funds appropriated or made  
5 available under this Act for carrying out the Foreign As-  
6 sistance Act of 1961, as amended, may be used to make pay-  
7 ments with respect to any contract for the performance of  
8 services outside the United States by United States citizens  
9 where such citizens have not been investigated for loyalty and  
10 security in the same manner and to the same extent as would  
11 apply if they were regularly employed by the United States

12 SEC. 112. None of the funds appropriated or made  
13 available under this Act for carrying out the Foreign Assist-  
14 ance Act of 1961, as amended, may be used to make pay-  
15 ments with respect to any capital project financed by loans  
16 or grants from the United States where the United States  
17 has not directly selected the firms to provide engineering,  
18 procurement, and construction services on such project.

19 SEC. 113. Of the funds appropriated or made available  
20 pursuant to this Act not more than \$4,000,000 may be used  
21 during the fiscal year ending June 30, 1963, in carrying out  
22 section 241 of the Foreign Assistance Act of 1961, as  
23 amended.

24 SEC. 114. None of the funds appropriated or made  
25 available pursuant to this Act for carrying out the Foreign

1 Assistance Act of 1961, as amended, may be used to pay in  
2 whole or in part any assessments, arrearages or dues of any  
3 member of the United Nations.

4           TITLE II—FOREIGN AID (OTHER)

5           FUND APPROPRIATED TO THE PRESIDENT

6           PEACE CORPS

7       For expenses necessary to enable the President to carry  
8 out the provisions of the Peace Corps Act (75 Stat. 612),  
9 including purchase of not to exceed ten passenger motor  
10 vehicles for use outside the United States, \$52,000,000, of  
11 which not to exceed \$15,500,000 shall be available for  
12 administration and program support costs.

13          DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

14           RYUKYU ISLANDS, ARMY

15           ADMINISTRATION

16       For expenses, not otherwise provided for, necessary to  
17 meet the responsibilities and obligations of the United States  
18 in connection with the government of the Ryukyu Islands,  
19 as authorized by the Act of July 12, 1960 (74 Stat. 461);  
20 services as authorized by section 15 of the Act of August 2,  
21 1946 (5 U.S.C. 55a), of individuals not to exceed ten in  
22 number; not to exceed \$3,500 for contingencies for the  
23 High Commissioner, to be expended in his discretion;  
24 hire of passenger motor vehicles and aircraft; purchase of

1 four passenger motor vehicles for replacement only; and con-  
2 struction, repair, and maintenance of buildings, utilities, fa-  
3 cilities, and appurtenances; \$7,900,000, of which not to exceed  
4 \$1,900,000 shall be available for administrative and informa-  
5 tion expenses: *Provided*, That expenditures from this appro-  
6 priation may be made outside continental United States when  
7 necessary to carry out its purposes, without regard to sections  
8 355 and 3648, Revised Statutes, as amended, section 4774  
9 (d) of title 10, United States Code, civil service or classi-  
10 fication laws, or provisions of law prohibiting payment of  
11 any person not a citizen of the United States: *Provided*  
12 *further*, That funds appropriated hereunder may be used,  
13 insofar as practicable, and under such rules and regulations  
14 as may be prescribed by the Secretary of the Army to pay  
15 ocean transportation charges from United States ports, in-  
16 cluding territorial ports, to ports in the Ryukyus for the  
17 movement of supplies donated to, or purchased by, United  
18 States voluntary nonprofit relief agencies registered with and  
19 recommended by the Advisory Committee on Voluntary  
20 Foreign Aid or of relief packages consigned to individuals  
21 residing in such areas: *Provided further*, That the President  
22 may transfer to any other department or agency any function  
23 or functions provided for under this appropriation, and there  
24 shall be transferred to any such department or agency with-  
25 out reimbursement and without regard to the appropriation

1 from which procured, such property as the Director of the  
2 Bureau of the Budget shall determine to relate primarily to  
3 any function or functions so transferred.

4 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

5 ASSISTANCE TO REFUGEES IN THE UNITED STATES

6 For expenses necessary to carry out the provisions of  
7 the Migration and Refugee Assistance Act of 1962 (Public  
8 Law 87-510), relating to aid to refugees within the United  
9 States, including hire of passenger motor vehicles, and serv-  
10 ices as authorized by section 15 of the Act of August 2, 1946  
11 (5 U.S.C. 55a), \$55,000,000: *Provided*, That this appro-  
12 priation shall reimburse other current applicable appropria-  
13 tions for activities conducted after June 30, 1962, pursuant  
14 to section 7 of the Migration and Refugee Assistance Act of  
15 1962.

16 DEPARTMENT OF STATE

17 MIGRATION AND REFUGEE ASSISTANCE

18 For expenses, not otherwise provided for, necessary to  
19 enable the Secretary of State to provide assistance to ref-  
20 ugees, as authorized by law, including contributions to the  
21 Intergovernmental Committee for European Migration and  
22 the United Nations High Commissioner for Refugees; sal-  
23 aries, expenses, and allowances of personnel and dependents as  
24 authorized by the Foreign Service Act of 1946, as amended  
25 (22 U.S.C. 801-1158); hire of passenger motor vehicles;

1 and services as authorized by section 15 of the Act of  
2 August 2, 1946 (5 U.S.C. 55a); \$14,447,000: *Provided*,  
3 That this appropriation shall reimburse other applicable  
4 appropriations for activities conducted after June 30, 1962,  
5 pursuant to section 7 of the Migration and Refugee Assist-  
6 ance Act of 1962: *Provided further*, That no funds herein  
7 appropriated shall be used to assist directly in the migration  
8 to any nation in the Western Hemisphere of any person  
9 not having a security clearance based on reasonable stand-  
10 ards to insure against Communist infiltration in the Western  
11 Hemisphere.

12                   **FUNDS APPROPRIATED TO THE PRESIDENT**

13                   **INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK**

14                 For payment of subscriptions to the Inter-American  
15 Development Bank, to remain available until expended,  
16 \$60,000,000 for the third installment on paid-in capital stock.

17                   **SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT**

18                   **ASSOCIATION**

19                 For payment of the third installment of the subscription  
20 of the United States to the International Development As-  
21 sociation, \$61,656,000, to remain available until expended.

## 1    TITLE III—INTERNATIONAL MONETARY FUND

## 2                FUNDS APPROPRIATED TO THE PRESIDENT

## 3                LOANS TO THE INTERNATIONAL MONETARY FUND

4                For loans to the International Monetary Fund, as au-  
5    thorized by the Act of June 19, 1962 (Public Law 87-490),  
6    \$2,000,000,000, to remain available until December 31,  
7    1966. The indefinite appropriation for the payment of  
8    interest on the public debt (31 U.S.C. 711), shall be avail-  
9    able for the payment of charges in connection with any pur-  
10   chases of currencies or gold by the United States from the  
11   International Monetary Fund.

## 12          TITLE IV—EXPORT-IMPORT BANK OF

## 13                WASHINGTON

14          The Export-Import Bank of Washington is hereby  
15   authorized to make such expenditures within the limits of  
16   funds and borrowing authority available to such corporation,  
17   and in accord with law, and to make such contracts and  
18   commitments without regard to fiscal year limitations as  
19   provided by section 104 of the Government Corporation  
20   Control Act, as amended, as may be necessary in carrying

1 out the programs set forth in the budget for the current fiscal  
2 year for such corporation, except as hereinafter provided:

3                   **LIMITATION ON OPERATING EXPENSES**

4               Not to exceed \$1,295,000,000 (of which not to exceed  
5 \$750,000,000 shall be for development loans) shall be  
6 authorized during the current fiscal year for other than  
7 administrative expenses.

8                   **LIMITATION ON ADMINISTRATIVE EXPENSES**

9               Not to exceed \$3,000,000 (to be computed on an  
10 accrual basis) shall be available during the current  
11 fiscal year for administrative expenses, including serv-  
12 ices as authorized by section 15 of the Act of August 2, 1946  
13 (5 U.S.C. 55a) at rates not to exceed \$75 per diem for  
14 individuals, and not to exceed \$9,000 for entertainment  
15 allowances for members of the Board of Directors:  
16 *Provided*, That (1) fees or dues to international organiza-  
17 tions of credit institutions engaged in financing foreign trade,  
18 (2) necessary expenses (including special services per-  
19 formed on a contract or fee basis, but not including other per-  
20 sonal services) in connection with the acquisition, operation,  
21 maintenance, improvement, or disposition of any real or  
22 personal property belonging to the Bank or in which it has  
23 an interest, including expenses of collections of pledged col-  
24 lateral, or the investigation or appraisal of any property in  
25 respect to which an application for a loan has been made,

1 and (3) expenses (other than internal expenses of the  
2 Bank) incurred in connection with the issuance and serv-  
3 icing of guarantees, insurance, and reinsurance shall be con-  
4 sidered as nonadministrative expenses for the purposes  
5 hereof.

6           **TITLE V—MISCELLANEOUS AGENCIES**

7           **FOREIGN CLAIMS SETTLEMENT COMMISSION**

8           **PAYMENT OF PHILIPPINE WAR DAMAGE CLAIMS**

9       For the payment of the unpaid balance of awards for  
10 war damage compensation heretofore made by the Philippine  
11 War Damage Commission, as authorized by law, \$73,000,-  
12 000, to remain available until expended, of which \$500,000  
13 shall be available for "Salaries and expenses", including an  
14 additional amount of not to exceed \$25,000 for expenses of  
15 travel.

16           **UNITED STATES INFORMATION AGENCY**

17           **ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES**

18       For an additional amount for "Acquisition and construc-  
19 tion of radio facilities", \$1,600,000, to remain available until  
20 expended.

21           **DEPARTMENT OF STATE**

22           **INTERNATIONAL ORGANIZATIONS AND CONFERENCES**

23           International Conferences and Contingencies

24       For an additional amount for "International conferences  
25 and contingencies", \$849,000.

1           TITLE VI—GENERAL PROVISIONS

2       SEC. 601. No part of any appropriation contained in  
3     this Act shall be used for publicity or propaganda purposes  
4     within the United States not heretofore authorized by the  
5     Congress.

6       SEC. 602. None of the funds herein appropriated shall  
7     be used for expenses of the Inspector General, Foreign As-  
8     sistance, after the expiration of the thirty-five day period  
9     which begins on the date the General Accounting Office or  
10    any committee of the Congress, or any duly authorized  
11    subcommittee thereof, charged with considering foreign as-  
12    sistance legislation, appropriations, or expenditures, has de-  
13    livered to the office of the Inspector General, Foreign Assist-  
14    ance, a written request that it be furnished any document,  
15    paper, communication, audit, review, finding, recomenda-  
16    tion, report, or other material in the custody or control of  
17    the Inspector General, Foreign Assistance, relating to any  
18    review, inspection, or audit arranged for, directed, or con-  
19    ducted by him, unless and until there has been furnished to  
20    the General Accounting Office or to such committee or sub-  
21    committee, as the case may be, (A) the document, paper,  
22    communication, audit, review, finding, recommendation, re-  
23    port, or other material so requested or (B) a certification  
24    by the President, personally, that he has forbidden the fur-

1 nishing thereof pursuant to such request and his reason for  
2 so doing.

3 SEC. 603. This Act may be cited as the "Foreign  
4 Aid and Related Agencies Appropriation Act, 1963."

Passed the House of Representatives September 20,  
1962.

Attest: RALPH R. ROBERTS,

*Clerk.*

87<sup>TH</sup> CONGRESS  
2d SESSION      H. R. 13175

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## AN ACT

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

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SEPTEMBER 21, 1962

Read twice and referred to the Committee on Appropriations





# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued Sept. 28, 1962  
For actions of Sept. 27, 1962  
87th-2d, No. 175

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HIGHLIGHTS: Senate passed pay bill. Senate committee voted to report foreign aid appropriation bill. Sen. Pelt urged creation of common market for Latin America. Rep. Dole criticized Secretary Freeman as "political hatchetman." Rep. Rains commended ASC committeemen.

### HOUSE

1. DRUGS. Passed with amendment S. 1552, the proposed Drug Industry Act of 1962. A similar bill, H. R. 11581, was laid on the table. Conferees were appointed. Senate conferees have not yet been appointed. pp. 19884-6, 19887-938, 19956, 19962
2. ASC COMMITTEES. Rep. Rains commended the ASC committeemen saying, "We owe our farmer-elected ASCS committeemen a great debt of gratitude for giving freely of their time to help their fellow farmer and the Nation as a whole in trying to make our farm programs work as efficiently and as effectively as possible." p. 19976
3. FARM PROGRAM. Rep. Dole criticized Secretary Freeman saying, "Freeman has become a political hatchetman for the Kennedy administration." pp. 19970-1
4. OCEANOGRAPHY. Received the conference report on S. 901, the proposed Oceanographic Act of 1962 (H. Rept. 2493). pp. 19941-2, 19982

5. TRANSPORTATION. The Merchant Marine and Fisheries Committee reported with amendment H. R. 12968, to amend Sec. 901(b) of the Merchant Marine Act, 1936, to eliminate certain time limitations (H. Rept. 2494). pp. 19982-3
6. MINING. Rep. Aspinall inserted the address of Assistant Secretary of the Interior Carver before the annual convention of the American Mining Congress. pp. 19972-6
7. WILDLIFE. The Merchant Marine and Fisheries Committee voted to report (but did not actually report) H. R. 13176, to increase the participation by counties in revenue from the national wildlife refuge system, and with amendment H. R. 9547, to facilitate the application and operation of the Fish and Wildlife Act of 1956. p. D902
8. WINE INDUSTRY. Rep. Clem Miller inserted a descriptive article, "The Vineyards of California." pp. 19978-81
9. LEGISLATIVE RECORD. Rep. Hoffman, Ill., discussed the legislative record of the 2nd session of the 87th Congress and criticized the farm bill. pp. 19966-9

SENATE

10. PERSONNEL. By a vote of 72 to 3, passed with amendments H. R. 7927, the Federal pay and postal rate increase bill (pp. 19814-53). See Digest 174 for a summary of items of interest. Agreed to amendments by Sen. Johnston which he stated were to correct several errors in spelling, punctuation, and figures (p. 19838). Rejected, by a vote of 6 to 72; an amendment by Sen. Morse to eliminate Part I of the bill relating to postal rates (pp. 19830-2). Rejected an amendment by Sen. Lausche to strike out provisions to authorize a discretionary pay raise for employees of the legislative branch (pp. 19833-4). Rejected, by a vote of 21 to 59, an amendment by Sen. Lausche to declare it as a principle that Federal salary rates shall be comparable with salary rates for the same level of work paid on the average by private enterprise and by State, county, and municipal governments (pp. 19838-40). Rejected an amendment by Sen. Smith, Me., to reduce the ceiling of salaries for the higher grades under the Classification Act so that they would be comparable to salaries "for legislative department employees" (pp. 19842-4).
- Concurred in the House amendments to S. 919, to amend the Hatch Political Activities Act so as to provide for the imposition of a penalty of not less than 30 days, instead of the present 90 days, suspension for violation of certain restrictions on participation in election activities. This bill will now be sent to the President. p. 19856
11. FOREIGN AID APPROPRIATION BILL, 1963. The Appropriations Committee voted to report (but did not actually report) with amendments this bill, H. R. 13175. p. D901
12. D. C. APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 12276 (S. Rept. 2170). p. 19804
13. ASSISTANT SECRETARY. Received from this Department a proposed bill "to establish an additional office of Assistant Secretary of Agriculture"; to Agriculture and Forestry Committee. p. 19804
14. PATENTS. The Judiciary Committee reported with amendment S. 2225, to fix the fees payable to the Patent Office (S. Rept. 2167). pp. 19804-5





# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued Oct. 1, 1962

For actions of Sept. 28 and 29, 1962  
87th-2d, Nos. 176  
and 177

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**HIGHLIGHTS:** Sept. 28: Both Houses passed appropriations continuation resolution. Rep. Jones, Mo., criticized absence of Republican member from House Agriculture meeting. Rep. Gross objected to sending pay bill to conference. Rep. King, Utah, commended ASC Committees. Rep. Springer criticized farm bill. Senate committee reported: Foreign aid appropriation bill. Public works appropriation bill. Senate passed bills: For program of agricultural land development in Alaska. To assist states in forest research. Sen. Humphrey defended wilderness bill as passed by Senate. Senate subcommittee approved State-Justice-Commerce appropriation bill.

Sept. 29: Senate debated public works appropriation bill.

### HOUSE - Sept. 28

1. APPROPRIATIONS. Both Houses passed without amendment H. J. Res. 897, making continuing appropriations for the fiscal year 1963 to those departments and agencies whose annual appropriation bills have not yet been enacted.. This measure will now be sent to the President. pp. 19991-2, 19997  
Rep. Cannon inserted a table of appropriation bills, 87th Congress, 2nd session, as of Sept. 28, 1962. pp. 19988-9
2. PAY BILL. Rep. Gross objected to a request to send H. R. 7927, the postal increase and pay increase bill, to conference. p. 19985

3. ASC COMMITTEES. Rep. King, Utah, commended the ASC committeemen saying, "I would like to pay tribute to these men who have so unselfishly devoted of their time to develop and guide these farm programs in the interest of farm and nonfarm people alike." p. 19990
4. FARM PROGRAM. Rep. Springer criticized the farm bill saying, "The Kennedy-Free-man-Cochrane farm bill was the worst blow to the Midwest corn farmer since World War II." p. 19990  
Rep. Jones, Mo., criticized Republican members of the Agriculture Committee for failure to provide a quorum for the transaction of committee business on Fri., Sept. 28. pp. 19993-4
5. SCHOOL LUNCH. The Judiciary Committee reported without amendment S. J. Res. 211, providing for the establishment of an annual National School Lunch Week (H.Rept. 2496). p. 19995
6. RAILWAY STRIKE. Rep. Nelsen criticized the Chicago & North Western strike and said "the lack of transportation is working a hardship on the agricultural economy of the entire area." pp. 19994-5
7. LEGISLATIVE PROGRAM. Rep. Albert announced that the Consent Calendar will be called on Mon., Oct. 1, followed by the following suspensions: resolution to send H. R. 7927, the postal increase and pay increase bill, to conference; H. R. 5698, to extend the apportionment requirement in the Civil Service Act to temporary summer employment; S. 3389, to promote commerce through trade fairs; H. R. 12968, to amend section 901(b) of the Merchant Marine Act to eliminate time limitations; and H. R. 13241, to amend Sec. 309 of the Food and Agriculture Act of 1962 re 15-acre wheat exemption. On Tues. the Private Calendar; the conference report on H. R. 10650, the proposed Revenue Act of 1962; the Third Supplemental Appropriation Bill for 1963; and S. 1123, to amend the Fair Labor Standards Act of 1938 with respect to the exemption of agricultural employees from the child labor provisions of such Act, will be considered. pp. 19992-3
8. ADJOURNED until Mon., Oct. 1. p. 19995

SENATE - Sept. 28

9. FOREIGN AID APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 13175 (S. Rept. 2177). p. 19996
10. PUBLIC WORKS APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 12900 (S. Rept. 2178). p. 19997
11. FARM PROGRAM. Passed with an amendment S. 2805, to authorize the Secretary of Agriculture to formulate and carry out a land development program under which payments or grants may be made to agricultural producers in Alaska for carrying out specified farmland development measures, including clearing, draining, shaping, and otherwise conditioning land for the production of crops or for pasture. Authorizes the appropriation of a maximum of \$1,250,000 for the entire program, excluding administrative costs, but not to exceed \$125,000 in any one program year. (pp. 20013, 20017-8) Agreed to an amendment by Sen. Bartlett to provide that a grant to any single producer shall not exceed one-fifth of the total funds appropriated for the program for the year in which the grant is made. (p. 20017)
12. FORESTRY. Reconsidered the vote by which H. R. 12688, to authorize the Secretary of Agriculture to encourage and assist the States in carrying on a program of

# Calendar No. 2140

87<sup>TH</sup> CONGRESS      }  
  2d Session      }

SENATE

{

REPORT  
No. 2177

## FOREIGN AID AND RELATED AGENCIES APPROPRIATION BILL, 1963

---

SEPTEMBER 28, 1962.—Ordered to be printed

---

Mr. HAYDEN, from the Committee on Appropriations, submitted the following

### R E P O R T

[To accompany H.R. 13175]

The Committee on Appropriations, to whom was referred the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House----- \$5, 956, 852, 000

Amount of increase by Senate committee----- 824, 550, 000

---

Amount of bill as reported to the Senate---- 6, 781, 402, 000

Amount of estimates, 1963----- 7, 335, 029, 000

Amount of appropriations, 1962----- 4, 123, 345, 000

The bill as reported to the Senate:

Under the estimates for 1963----- 553, 627, 000

Over the appropriations for 1962----- 2, 658, 057, 000

*Summary of bill*

Title	Item	Authorization	Bill as it passed House	Recommended by Senate committee	Increase (+) or decrease (-), Senate committee bill compared with—
					Authorization
I	Foreign aid (mutual security)-----	\$4,754,800,000	\$3,630,400,000	\$4,422,800,000	-\$332,000,000
II	Foreign aid (other)-----	291,775,000	251,003,000	284,193,000	-7,582,000
III	International Monetary Fund-----	2,000,000,000	2,000,000,000	2,000,000,000	+33,190,000
IV	Export-Import Rank (limitation on Treasury borrowing authority)-----	1,298,000,000	1,298,000,000	1,298,000,000	-----
V	Miscellaneous agencies-----	81,954,000	75,449,000	74,409,000	-7,545,000
	Total-----	8,426,529,000	7,254,852,000	8,079,402,000	-1,040,000
					+824,550,000

**TITLE I—FOREIGN AID (MUTUAL SECURITY)****GENERAL STATEMENT**

The executive branch submitted a budget estimate of \$4,961,300,000 for the foreign aid program. The committee recommends an appropriation of \$4,422,800,000, which is \$538,500,000 less than the budget estimate.

The foreign aid program remains a central offensive capability for a positive U.S. foreign policy. Drastic reductions would blunt that capability at a time when Communist pressure on Berlin is increasing, the Cuban situation is deteriorating and the war in Vietnam is reaching a crucial phase. Testimony from Secretary Rusk, Secretary McNamara, Gen. L. L. Lemnitzer, Gen. Maxwell Taylor, and others established this program as both an integral part of our defense effort as well as a positive instrument for achieving our foreign policy objectives. They indicated that a severe reduction in the aid program would not only constrict the conduct of our foreign policy, but it would reverse the policy already laid down by the Congress. In the detailed testimony before it, the committee did not discover any evidence which would support a drastic reduction in the aid program.

The committee recommends an appropriation that is \$508,200,000 more than last year's bill, but this recommendation includes \$575 million for the Alliance for Progress. Compared to the consolidated appropriation of last year of \$4,514,600,000—including the \$600 million for the Alliance which was separate and which was made available in May of 1961, the committee's recommended appropriation is actually \$91,800,000 less than that of last year.

The drastic reduction by the House would constrict the development lending program severely. Commitments of long-term development loans from fiscal year 1963 funds already amount to over \$700 million. The committee recommendation will allow for a lending program to provide additional dollar repayable loans to countries where no long-term commitments have been made. It is true that the commitments of fiscal year 1963 funds are subject to appropriation by the Congress: all executive branch aid commitments must be made subject to the appropriation of funds.

The aid program's impact upon our gold drain is relatively small—that problem arises primarily from other expenditures, such as oversea troops and bases, foreign private investment by U.S. citizens and tourism. Nearly 80 percent of the expenditures for foreign aid are being made in the United States. This burden upon our taxpayers is not necessarily beneficial to the economy, but it does establish that the effect upon the gold drain is small. The expenditures by the Defense Department are similar: the United States must take such proper action as is necessary to maintain its position as a world power.

The increase in funds which have been committed but not expended is a matter which should be carefully reviewed by those administering the program. But it is not a reason for reducing the appropriation to a low level. This increase stems on the economic side from the increase in long-term development lending. The trend to dollar repayable loans is commended by the committee. The increase on the military side is due primarily to the increase in long leadtime items such as missiles and new aircraft. The increase in the military "pipeline" also was due to a diversion of ordered items to the Berlin buildup.

## FOREIGN AID (MUTUAL SECURITY)

Item	Authorization, fiscal year 1963	House action	Recommended by Senate committee	Increase (+) or decrease (-), Senate committee bill compared with—	Authorization, fiscal year 1963 House
				Bill as it passed House	
Development grants.....	\$300,000,000	\$225,000,000	\$275,000,000	-\$25,000,000	+\$50,000,000
American hospitals abroad.....	2,800,000	2,800,000	2,800,000	-	-
Investment guarantees.....	180,000,000	30,000,000	100,000,000	-80,000,000	+70,000,000
Surveys of investment opportunities.....	2,000,000	-	1,000,000	-1,000,000	+1,000,000
International organizations and programs.....	148,900,000	148,900,000	148,900,000	-	-
Supporting assistance.....	415,000,000	350,000,000	400,000,000	-15,000,000	+50,000,000
Contingency fund.....	300,000,000	225,000,000	290,000,000	-10,000,000	+65,000,000
Alliance for Progress.....	600,000,000	525,000,000	575,000,000	-25,000,000	+50,000,000
Development loans.....	1,250,000,000	775,000,000	1,125,000,000	-125,000,000	+350,000,000
Administrative expenses, AID.....	53,000,000	46,000,000	52,000,000	-1,000,000	+6,000,000
Administrative expenses, State.....	3,100,000	2,700,000	3,100,000	-	+400,000
Military assistance.....	1,500,000,000	1,300,000,000	1,450,000,000	-50,000,000	+150,000,000
Total.....	4,754,800,000	3,630,400,000	4,422,800,000	-332,000,000	+792,400,000

## FUNDS APPROPRIATED TO THE PRESIDENT

## ECONOMIC ASSISTANCE

## DEVELOPMENT GRANTS

1962 appropriation-----	\$296, 500, 000
1963 estimate-----	335, 000, 000
House allowance-----	225, 000, 000
Committee recommendation-----	275, 000, 000

The committee recommends the appropriation of \$275 million, which is an increase of \$50 million over the House allowance, and \$60 million below the amount requested in the estimates.

The development grant program came into being in fiscal year 1962 as the successor to the point IV technical assistance program in the social, education, and health fields. The development of economic resources without the accompanying increase in social reform and the leadership capacity of the people would thwart the objectives sought through the foreign aid program. This program fills the void and supplies the needed basic education, technical training, and the preparation of public administration officials, particularly in those nations which most recently have attained independence.

The major portion of this program will go to the newly independent countries of Africa and will be utilized to a considerable extent in Nigeria, Liberia, and Tunisia. In the Far East, development grants are programmed principally for Thailand, Vietnam, and Cambodia. In the Near East, two relatively new programs are getting underway in Cyprus and Syria, and the programs in Pakistan, Turkey, Egypt, and Nepal will be somewhat larger than in fiscal year 1962.

The committee recommends that the African student education program, now conducted and supported by U.S. Universities and colleges, African governments, private organizations, and the Agency for International Development be continued in fiscal year 1963 as presently programmed.

The committee also feels that the full requirements for the bilateral malaria eradication program be financed out of this appropriation notwithstanding the reductions made herein.

## AMERICAN HOSPITALS ABROAD (SPECIAL FOREIGN CURRENCY PROGRAM)

1963 estimate-----	\$2, 800, 000
House allowance-----	2, 800, 000
Committee recommendation-----	2, 800, 000

The committee concurs in the House allowance of \$2,800,000 for this item, the sum requested in the budget estimate.

These funds are provided to cover the second increment of construction of the Children's Hospital in Krakow, Poland. In 1961 and 1962, under special congressional authorizations for the purchase of U.S.-owned local currencies, the equivalent of \$1.5 million of U.S.-owned Public Law 480 zlotys was made available. It is now estimated that the total zloty cost of constructing the hospital will be about \$6.5 million. Thus, it is expected that about \$2.2 million will be needed in fiscal year 1964 for the final stages of the hospital construction, which is now scheduled for completion in June of 1964.

## INVESTMENT GUARANTEES

1962 appropriation-----	\$180,000,000
1963 estimate-----	30,000,000
House allowance-----	
Committee recommendation-----	100,000,000

The committee recommends an appropriation of \$100 million for investment guarantees. This is an increase of \$70 million over the amount allowed by the House, but \$80 million under the budget estimate.

In recommending an appropriation of considerably less than that requested, the committee took into account the fact that investment guarantees are now available only for investments in the underdeveloped countries and that the magnitude of the extended risk guarantees is increasing. The committee's action should not be interpreted as implying a restriction on the amounts of guarantees that may be issued below the ceilings authorized by the substantive legislation. Rather, the purpose of the recommendation is to indicate that the committee finds that the probable ultimate net cost to the United States of all investment guarantees authorized to be outstanding (the basis for calculating investment guarantee reserves) cannot exceed the total of the presently existing reserves plus the amount of the recommended appropriation, plus gradual accumulations of the fee income. Since the general credit of the United States may now be obligated by investment guarantees, the recommended reduction should not diminish the value of an investment guarantee to any investor.

The committee feels that before Government-to-Government loans are made in such fields as power, telecommunication, or heavy industry, for example, every effort should be made to see if, by use of a general risk guarantee, private enterprise will not advance the funds, manage the project, and assume a portion of the risk.

## SURVEYS OF INVESTMENT OPPORTUNITIES

1962 appropriation-----	\$1,500,000
1963 estimate-----	5,000,000
House allowance-----	
Committee recommendation-----	1,000,000

The committee recommends an appropriation of \$1 million for this item. This is \$1 million over the House allowance but \$4 million under the budget estimate.

Since this program only commenced during the past fiscal year, time has been spent developing and formalizing the regulations and procedures that would make the program effective. The publicity given the program has resulted in a number of applications from private industry and this interest appears to be growing steadily.

## INTERNATIONAL ORGANIZATIONS AND PROGRAMS

1962 appropriation-----	153,500,000
1963 estimate-----	148,900,000
House allowance-----	148,900,000
Committee recommendation-----	148,900,000

The committee is in agreement with the House allowance of \$148,900,000 for this item.

This year, as it has over the past few years, the committee recommends the full amount contained in the budget estimate. From this

appropriation, the administration proposes to contribute funds to 11 organizations and activities during fiscal year 1963, as follows:

	[In millions of dollars]
United Nations:	
1. UNTA and Special Fund-----	\$50. 000
2. U.N. Fund for the Congo-----	34. 000
3. U.N. Relief and Works Agency for Palestine Refugees-----	17. 200
4. U.N. Children's Fund-----	12. 000
5. U.N. Emergency Force-----	1. 320
6. IAEA operational program-----	1. 250
7. WHO special programs-----	. 500
Subtotal-----	116. 570
Regional:	
8. NATO Science-----	1. 530
9. Indus Waters-----	30. 000
10. Commission for Technical Cooperation in Africa-----	. 600
11. Asian Productivity Organization-----	. 200
Subtotal-----	32. 330
Grand total-----	148. 900

In connection with this appropriation, the House bill included the following language:

*Provided*, That no part of any other appropriation contained in this Act may be used to augment funds or programs contained in this paragraph.

The committee believes that this language should be deleted from the bill and recommends that the following language be substituted therefor:

*Provided*, That no part of any appropriation contained in this Act, except funds appropriated under this Act for the contingency fund, may be used to augment funds or programs contained in this paragraph, and no funds shall be transferred from funds appropriated under any other paragraph of title I of this Act to the contingency fund for the purpose of augmenting funds or programs contained in this paragraph.

The committee has included the above language because it strongly feels that it is possible for situations to develop during the ensuing year which will warrant an increase in the amount of funds made available for this purpose. Nevertheless, since the committee has allowed the full amount of the budget estimate, it desires to restrict any transfer of funds into this appropriation solely from the contingency fund.

SUPPORTING ASSISTANCE	
1962 appropriation-----	\$425, 000, 000
1963 estimate-----	481, 500, 000
House allowance-----	350, 000, 000
Committee recommendation-----	400, 000, 000

The committee recommends an appropriation of \$400 million which is \$50 million over the House allowance and \$81,500,000 under the budget estimate.

Supporting assistance which, for the most part, is economic grant aid is direly needed to help sustain the economies of nations such as Turkey, Vietnam, and Korea, heavily burdened by military programs which they maintain as part of the free world defense effort. In the original budget estimate submitted for this item by the administration, a total of \$349 million was programmed for the Far Eastern region and included primarily the countries of Vietnam and Korea.

#### CONTINGENCY FUND

1962 appropriation-----	\$275, 000, 000
1963 estimate-----	400, 000, 000
House allowance-----	225, 000, 000
Committee recommendation-----	290, 000, 000

For the contingency fund, the committee recommends an appropriation of \$290 million, an increase of \$65 million over the House allowance and a decrease of \$110 million under the budget estimate of \$400 million.

The contingency fund will be used to support vital U.S. interests in a wide variety of situations during the current fiscal year. Some of the possible uses are enumerated below:

(1) Communist China and the Soviet Union may step up covert support of "liberation armies" seeking to bring countries along the bloc's Asian perimeter under their domination. To survive, the countries under attack may need special economic, as well as military, aid.

(2) The Kremlin may apply heavier pressure on the West Berlin economy or probe weak spots elsewhere in the free world, as it has done in Cuba.

(3) Newly independent countries in Africa, Asia, and the Caribbean or countries which may soon become independent may be faced with pressing needs for assistance to maintain essential public services and minimum levels of economic activity.

(4) Countries which have accepted Sino-Soviet aid and since become disillusioned or apprehensive over the implementation of these programs may seek extraordinary assistance from the United States to disengage from Communist bloc influence.

(5) During the difficult and sensitive process of adopting and achieving economic changes, in such fields as tax reform, land-ownership, and mobilization of capital, countries may undergo stresses requiring emergency external aid to preserve stability.

(6) Earthquakes, floods, hurricanes, and other natural disasters may warrant the use of contingency funds to meet immediate relief needs and to assist in reconstruction.

#### ALLIANCE FOR PROGRESS

1961-62 appropriation (enacted into law May 27, 1961)-----	\$600, 000, 000
1963 estimate-----	600, 000, 000
House allowance-----	525, 000, 000
Committee recommendation-----	575, 000, 000

The committee recommends the restoration of \$50 million for the Alliance for Progress program, for a total appropriation of \$575 million, which is \$25 million under the budget estimate.

In August 1961, the American nations met to discuss the shape of the cooperative effort to develop the Western Hemisphere. This meeting culminated in the signing of the Charter of Punta del Este, and it not only established achievement goals but it also established a framework of cooperation. Among the most important goals of the Alliance for Progress as contained in the Charter of Punta del Este are the following:

- (1) To achieve sustained growth of per capita income and self-sustained economic growth of not less than 2.5 percent per capita per year;
- (2) To achieve more equitable distribution of national income and a higher proportion of the national product devoted to investment while maintaining stable price levels;
- (3) To achieve economic diversification, involving reduction of dependence on exports of primary products, and stabilization of export earnings; and to raise agricultural productivity as well as encourage agrarian reform;
- (4) To eliminate adult illiteracy and by 1970 to assure access to at least 6 years of primary education for each school-age child;
- (5) To improve health conditions, including the increase of life expectancy by a minimum of 5 years;
- (6) To increase low-cost housing construction;
- (7) To strengthen existing arrangements for economic integration.

The committee realizes that these objectives cannot be accomplished overnight, and full attainment is going to require a measure of patience.

#### DEVELOPMENT LOANS

1962 appropriation-----	\$1,112,500,000
1963 estimate-----	1,250,000,000
House allowance-----	775,000,000
Committee recommendation-----	1,125,000,000

For development loans, the committee recommends an appropriation of \$1,125 million. This is \$125 million under the budget estimate and \$350 million more than the amount of \$775 million allowed by the House.

Section 202(b) of the Foreign Assistance Act of 1961 defines the purpose of the development loans as being "to promote the economic development of less developed friendly nations and areas, with emphasis upon assisting long-range plans and programs designed to develop resources and increase productive capacities." With the enactment of the Foreign Assistance Act of 1961, all principal and interest on development loans became payable in dollars. Prior to this time, more than 80 percent of all development loans were repayable in local currencies. The loan terms for the development loan fund coincided with those terms of the International Development Association, an adjunct of the World Bank. These terms are usually three-fourth of one percent credit fee, with repayment over a 40-year period, and with a 10-year grace period applicable to repayment of principal.

Development loans may be made only where there are reasonable prospects of repayment and, furthermore, the following criteria are taken into account before each development loan is made:

- (1) Whether financing might be partly or completely obtained from other free world sources on reasonable terms;
- (2) The economic and technical soundness of the proposed activity;
- (3) Whether the project shows reasonable promise of contributing to the development of economic resources or an increase of production capacities of the country concerned;
- (4) The relationship of the activity to other developmental activities and its contribution to long-range objectives;
- (5) The extent to which the recipient country shows a responsiveness to the economic, political, and social concerns of its people and determination to use effective self-help measures;
- (6) The possible effects of the proposed loan upon the U.S. economy with special reference to areas of labor surplus.

The fiscal year 1963 economic aid program continues to show a shift from grants to loans, and the committee is hopeful that this trend will be accelerated.

#### ADMINISTRATIVE EXPENSES (AID)

1962 appropriation-----	\$47,500,000
1963 estimate-----	55,000,000
House allowance-----	46,000,000
Committee recommendation-----	52,000,000

The committee recommendation is \$6 million more than the House allowance and \$3 million under the budget request. In addition the committee approves the proposal of AID to shift 258 positions from the "Administrative expenses" appropriation, where they were funded in 1962, to program funding in 1963.

#### ADMINISTRATIVE EXPENSES (STATE)

1962 appropriation-----	\$3,000,000
1963 estimate-----	3,100,000
House allowance-----	2,700,000
Committee recommendation-----	3,100,000

The committee recommendation for this item is an increase of \$400,000 over the amount allowed in the House bill and is exactly the same as the budget estimate.

The funds appropriated under this title are required for principal activities in the Department of State relating to military and economic assistance programs and normal functions of the Department of State related to such programs.

#### MILITARY ASSISTANCE

1962 appropriation-----	\$1,600,000,000
1963 estimate-----	1,500,000,000
House allowance-----	1,300,000,000
Committee recommendation-----	1,450,000,000

For military assistance, the committee appropriation is \$150 million over the House allowance and \$50 million less than the budget estimate.

The committee increased the administrative expense limitation from \$24 million to \$24,500,000, a decrease of \$500,000 below the budget estimate.

The military assistance program is a logical extension of the U.S. defense budget and fills the gap between what our allies can do to defend themselves and what must be done as a minimum for the collective security of the free world. It supports the efforts of 40 independent nations to maintain themselves against aggression through grants and sales of military equipment and through training where this is required. Because some of the free world countries, particularly those in Western Europe, have become better able to provide for their own defense, the fiscal year 1963 request for military assistance is \$100 million less than the appropriation for fiscal year 1962.

The military assistance program is designed to assist in meeting the threat of external aggression as well as internal subversion. In addition, in many cases, the military forces of free world countries make a direct contribution to the economic advancement of the nation, not only by assuring protection from attack so that the nation can go about its economic work, but by participation of troops in economic activities.

In southeast Asia and the Far East the military assistance program is of special importance as many of the countries of these areas face a carefully planned combination of subversion and outright attack. In Korea an uneasy armistice prevails while the enemy continues to violate it by building new airfields and shipping jet aircraft into North Korea. In Taiwan, the free world has one of the strongest bastions against communism in all of Asia.

The military assistance program during fiscal year 1963 will honor commitments to North Atlantic Treaty Organization (NATO) countries for training, maintenance, and modification of equipment. However, our NATO partners have reached the point at which grant aid is declining sharply.

In Latin America, the military assistance program will continue on a modest scale, helping to stem internal disturbances and improving defenses against potential external aggression.

Many of the new governments in Africa lack the means for maintaining domestic order, and in fiscal year 1963 the military assistance program will continue to provide modest amounts of equipment and training to military forces of countries where such assistance is essential to their continued independence, security and stability.

Specifically, the program for military assistance breaks down as follows:

*Military assistance—fiscal year 1963 proposed program*

[Millions of dollars]

	I	
Europe-----		314
Africa-----		38
Near East and south Asia-----		423
Far East-----		831
Latin America-----		77
Nonregional-----		47
Total-----		<u>1,730</u>
	II	
Essentially fixed charges:		
Infrastructure-----		82
International military headquarters and agencies-----		13
Training-----		139
Supply operations-----		136
Administrative expenses-----		25
Total-----		<u>395</u>
Force maintenance:		
Spare parts-----		205
Attrition, training ammunition, repair and rehabilitation of equipment-----		260
Other consumables-----		102
Total-----		<u>567</u>
Force improvement:		
Aircraft-----		206
Ships-----		109
Tanks, vehicles, and weapons-----		76
Missiles-----		61
Electronics and communication-----		72
Special programs-----		59
Construction-----		69
All other-----		116
Total-----		<u>768</u>
Grand total-----		<u>1,730</u>

## TITLE II—FOREIGN AID (OTHER)

### FUNDS APPROPRIATED TO THE PRESIDENT

#### PEACE CORPS

1962 appropriation-----	\$30,000,000
1963 estimate-----	63,750,000
House allowance-----	52,000,000
Committee recommendation-----	63,750,000

The committee recommendation is \$11,750,000 over the House allowance and is precisely the amount of the budget estimate.

Because of the striking success Peace Corps activities have met to date, the committee felt it would be a great mistake to cut its operations for the coming year below the planned level. Furthermore, the committee has deleted from the bill the limitation placed by the House on the amount of funds that may be used for administration and

program support cost. In this connection, the committee felt that the brief operating experience of the Peace Corps was not sufficient to warrant limiting its administrative and program support expenses to some fixed amount. However, such a limitation would no doubt be plausible once sufficient experience has been gained, and the committee feels that a recommendation effecting this should emanate from the Peace Corps at the time its budget estimate is submitted to Congress next year.

#### DEPARTMENT OF THE ARMY

##### RYUKYU ISLANDS

1962 appropriation-----	\$7, 089, 000
1963 estimate-----	14, 282, 000
House allowance-----	7, 900, 000
Committee recommendation-----	12, 000, 000

The committee allowance is \$4,100,000 above the House allowance and \$2,282,000 below the amount requested in the budget. In addition to the overall increase in this appropriation, the committee has directed that \$2,100,000 of the amount made available shall be for administrative and information expenses.

#### DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

##### ASSISTANCE TO REFUGEES IN THE UNITED STATES

Funds obligated, 1962-----	<sup>1</sup> \$38, 557, 000
Budget estimate, 1963-----	70, 110, 000
House allowance-----	55, 000, 000
Committee recommendation-----	70, 110, 000

<sup>1</sup> Derived from "Contingency fund, Economic Assistance," Foreign Assistance and Related Agencies Appropriation Act, 1962.

The committee recommends the full budget estimate, an increase of \$15,110,000 over the House allowance, as authorized by the Migration and Refugee Assistance Act of 1962, approved June 28, 1962.

The funds requested, and allowed by the committee, are for the following purposes:

Reception, registration, and classification of Cuban refugees, \$1 million; financial assistance to supply essential basic needs of the refugees for food, clothing, and shelter, including \$13,800,000 for the care of minors unaccompanied by relatives, \$51,030,000; financial assistance in relocating refugees to home and jobs elsewhere in the country and overseas, \$8 million; health services and long-term hospitalization, \$990,000; assistance to the public schools of Dade County in providing instruction to the refugee children as well as English instruction and vocational training to adults, \$7,575,000; and loans to refugee students in colleges and funds for English and refresher courses for lawyers, doctors, and other professional persons, \$1,515,000.

The estimate for providing educational services to the refugee children in Dade County Fla., contemplated an average enrollment of 18,000 children in the public schools. The committee has been advised that the enrollment in the first week of the school term was 20,000. It is quite obvious that the funds requested will be totally inadequate fully to reimburse Dade County for the local effort in the operation and maintenance of schools for the refugees, and the com-

mittee will expect a supplemental request for such additional funds as are required for the purpose.

The payment of welfare assistance and services to the needy refugees is handled by the Florida Department of Public Welfare as the agent of the Federal Government. The agreement with the State agency contemplated a home visit to each welfare recipient at 6-month intervals. The State agency has been unable to make these visits within the administrative funds allotted it because of the press of other business. The committee will expect the Social Security Administration to take the necessary steps to institute a program of home investigations in the interest of limiting welfare payments to bona fide cases.

#### DEPARTMENT OF STATE

##### MIGRATION AND REFUGEE ASSISTANCE

1963 estimate-----	\$21, 977, 000
House allowance-----	14, 447, 000
Committee recommendation-----	16, 677, 000

For migration and refugee assistance, Department of State, the committee recommendation breaks down as follows:

Contributions to Intergovernmental Committee for European Migration-----	\$9, 275, 000
Contributions to program of United Nations High Commissioner for Refugees-----	900, 000
Refugees from European Communist countries-----	1, 500, 000
Refugees from Communist China-----	2, 500, 000
Tibetan refugees-----	400, 000
Cuban refugees in foreign countries-----	350, 000
Central Africa-----	400, 000
Refugees from north African countries-----	200, 000
Special persons or groups-----	275, 000
Administration-----	877, 000
Total-----	16, 677, 000

The committee has specifically disallowed the \$5,300,000 contained in the budget estimate for Algerian refugees, and in taking this action has concurred with the House. The amount allowed by the committee is \$2,330,000 more than the House allowance and is precisely \$5,300,000 (the amount contained in the budget for Algerian refugees) less than the budget estimate.

The entire amount requested for this purpose in fiscal year 1962 was financed out of the contingency fund.

##### INVESTMENT IN THE INTER-AMERICAN DEVELOPMENT BANK

1962 appropriation-----	\$110, 000, 000
1963 estimate-----	60, 000, 000
House allowance-----	60, 000, 000
Committee recommendation-----	60, 000, 000

The committee concurs in the House allowance of \$60 million, the budget estimate.

The amount recommended represents the third and final installment to complete the U.S. subscription to the capital stock of the Bank.

Public Law 86-147, approved August 7, 1959, provided for membership of the United States in the Inter-American Development Bank and authorized an appropriation of \$450 million to cover the U.S. sub-

scription to the Bank. The Bank is an institution sponsored by the nations of the Organization of American States and is designed to accelerate the economic development of the American Republics by providing capital and technical assistance and by encouraging private investment in development projects. All members of the OAS, with the exception of Cuba, ratified the agreement establishing the Bank prior to conclusion of the organizing meeting of the Board of Governors held in San Salvador, El Salvador, February 3-16, 1960. The Bank officially opened its doors for business as of October 1, 1960.

The U.S. subscription falls into three categories, as set forth in the agreement establishing the Bank. The first is a subscription of \$150 million for paid-in shares of capital stock, payable in three installments. The first installment of \$30 million was paid in June 1960; the second installment was paid in October 1961. The third installment is to be paid not sooner than September 30, 1962. The second category is \$200 million of callable capital stock which can be called only to meet obligations of the Bank on securities which it has issued in the private financial market or on loans which it has guaranteed. This amount has been appropriated by the Congress. The third category is a subscription quota of \$100 million in the Fund for Special Operations of the Bank. Fifty million dollars was paid in June 1960, and \$50 million was paid in October 1961.

The payment of the third installment of the paid-in capital stock subscribed by the United States is due on or before October 31, 1962, in accordance with the provisions of the agreement establishing the the Bank and the resolution of the Board of Executive Directors of April 9, 1961. That resolution provides "that the payment of the third installment of the subscriptions to the paid-in capital stock shall be made not later than October 31, 1962." For the United States, this installment amounts to \$60 million, the amount appropriated under this title.

#### SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

1962 appropriation-----	\$61,656,000
1963 estimate-----	61,656,000
House allowance-----	61,656,000
Committee recommendation-----	61,656,000

The committee concurs in the House allowance of \$61,656,000 for this item, which is the same as the 1962 appropriation and the 1963 estimate.

Public Law 86-565, approved June 30, 1960, authorized the President to accept membership for the United States in the International Development Association with an initial subscription of \$320,290,000. On August 9, 1960, the United States deposited its instrument of acceptance with the International Bank for Reconstruction and Development. Public Law 86-651, approved July 14, 1960, contained an appropriation of \$73,666,700 for the first installment of the U.S. subscription. Public Law 87-329, approved September 30, 1961, contained an appropriation of \$61,655,825 for the second installment of the U.S. subscription.

The U.S. initial subscription of \$320,290,000 is payable in five annual installments, consisting of a first installment of \$73,666,700, and four additional installments of \$61,655,825. The Association

began operations on November 8, 1960. As provided in Article II of the articles of agreement, the second through fifth installments are payable at annual intervals from that date. Accordingly, the third installment of \$61,655,825 is due on November 8, 1962.

The International Development Association is an international organization affiliated with the International Bank for Reconstruction and Development, designed to provide development financing on flexible terms for its less-developed member countries. Membership in the Association is open to all members of the International Bank; by mid-February 1962, there were 57 members, with total subscriptions of \$914.9 million.

As of February 15, 1962, the Association had made 19 credits available to 10 countries, amounting to a total of \$199.3 million.

### TITLE III—INTERNATIONAL MONETARY FUND

#### FUNDS APPROPRIATED TO THE PRESIDENT

##### LOANS TO THE INTERNATIONAL MONETARY FUND

1962 appropriation-----	None
1963 estimate-----	\$2,000,000,000
House allowance-----	2,000,000,000
Committee recommendation-----	2,000,000,000

The committee concurs with the House allowance of \$2 billion for this item, and also recommends the deletion of the language "to remain available until December 31, 1966," inserting in lieu thereof "*to remain available until expended*."

This appropriation is authorized by Public Law 87-490, which became law on June 19, 1962. An appropriation of \$2 billion is required in order to complete action requisite for the United States to adhere to a decision of the Executive Directors of the International Monetary Fund of January 5, 1962. In adhering to the decision of the Fund, the United States must deposit an instrument "setting forth that it has adhered in accordance with its law and has taken all steps necessary to enable it to carry out the terms and conditions" of that decision. The United States must, accordingly, be in a position to lend up to \$2 billion to the Fund. The United States would not be expected to lend to the Fund in the absence of a substantial improvement in its balance-of-payments position. No loan is presently contemplated, nor is such a loan likely under present conditions.

### TITLE IV—EXPORT-IMPORT BANK OF WASHINGTON

#### LIMITATION OF OBLIGATIONAL AUTHORITY (OPERATING EXPENSES)

1962 appropriation-----	(\$1,300,000,000)
1963 estimate-----	(1,295,000,000)
House allowance-----	(1,295,000,000)
Committee recommendation-----	(1,295,000,000)

The committee concurs in the House action in placing a limitation of \$1,295 million on the program of the Export-Import Bank of Washington for fiscal year 1963.

Although this amount was not estimated by the Bank, it was submitted as the proposed program for fiscal year 1963.

**LIMITATION ON ADMINISTRATIVE EXPENSES**

1962 appropriation-----	(\$3,010,000)
1963 estimate-----	(3,000,000)
House allowance-----	(3,000,000)
Committee recommendation-----	(3,000,000)

For the limitation on administrative expenses, the committee concurs in the House allowance of \$3 million.

**TITLE V—MISCELLANEOUS AGENCIES****FOREIGN CLAIMS SETTLEMENT COMMISSION****PAYMENT OF PHILIPPINE WAR DAMAGE CLAIMS**

1962 appropriation-----	None
1963 estimate-----	\$73, 000, 000
House allowance-----	73, 000, 000
Committee recommendation-----	73, 560, 000

The committee has allowed \$73 million for the payment of the unpaid balance of awards for war damage compensation heretofore made by the Philippine War Damage Commission, as authorized by Public Law 87-616. This amount is the same as the budget estimate. The House allowance of \$73 million included an allowance of \$500,000 for administrative expenses, thereby reducing the amount for the payment of claims to \$72,500,000.

In addition, the committee recommends \$560,000 for administrative expenses, the amount of the budget estimate, and \$560,000 over the House bill, making a total appropriation of \$73,560,000.

**U.S. INFORMATION AGENCY****ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES**

1963 estimate-----	\$7, 375, 000
House allowance-----	1, 600, 000
Committee recommendation-----	None

The committee has failed to make an allowance for this item because negotiations for the site on which this radio facility will be constructed has not been fully concluded at this time. The committee feels that if successful negotiations are completed in the near future, the Agency can obtain the needed funds in a supplemental budget request to the Congress.

**INTERNATIONAL ORGANIZATIONS AND CONFERENCES****INTERNATIONAL CONFERENCES AND CONTINGENCIES**

1962 appropriation-----	\$1, 019, 000
1963 estimate-----	849, 000
House allowance-----	849, 000
Committee recommendation-----	849, 000

For international conferences and contingencies, the committee recommendation is the same as the House allowance and \$170,000 below the budget request.

## LANGUAGE PROVISIONS

## CRITERIA FOR WATER RESOURCE PROJECTS

The committee concurs in the House provision requiring that all water or related land resource projects must meet the standards and criteria of similar projects in the United States.

Circular A-47 of the Bureau of the Budget dated December 31, 1952, has been superseded by the memorandum of the President dated May 15, 1962, and the provision has been amended accordingly.

## AID TO CUBA AND RESTRICTION ON AID TO COUNTRIES WHICH PERMIT THEIR VESSELS IN TRADE WITH CUBA

The House provision on this subject has been deleted and the following provision, which gives discretionary power to the President, has been included in the bill:

*SEC. 107. (a) None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose ships are used to transport any military or economic supplies to that regime, unless the President determines that the withholding of such assistance to such country, or the nonpayment of such expenses of transportation, would be contrary to the national interest, and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives.*

*(b) None of the funds appropriated in this title shall be available for assistance to any country which permits vessels registered, enrolled, licensed, or otherwise documented under its laws to transport to Cuba, so long as it is governed by the Castro regime, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest, and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives.*

The limitation against providing assistance to countries which deal with the Castro regime under conditions set forth in this section is a restriction on all economic assistance and grants of military assistance provided in this bill.

## AID TO GOVERNMENTS BASED ON THEORY OF COMMUNISM

The committee felt that the House provisions is couched in language difficult of interpretation. The following provision, which is included in the authorization act this year, has therefore been substituted:

*SEC. 109. No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended (except section 214(b)) to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communists conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries:*

*Peoples Republic of Albania,  
Peoples Republic of Bulgaria,  
Peoples Republic of China,  
Czechoslovak Socialist Republic,  
German Democratic Republic (East Germany),  
Estonia,  
Hungarian Peoples Republic,  
Latvia,  
Lithuania,  
North Korean Peoples Republic,  
North Vietnam,  
Outer Mongolia-Mongolian Peoples Republic,  
Polish Peoples Republic,  
Rumanian Peoples Republic,  
Tibet,  
Federal Peoples Republic of Yugoslavia,  
Cuba, and  
Union of Soviet Socialist Republics.*

## CONTRACTS TO CONTAIN PROVISION AUTHORIZING TERMINATION FOR CONVENIENCE OF UNITED STATES

The committee has amended the following section as indicated:

*SEC. 110. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for making payments on any contract entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for procurement to which the United States is a party for the convenience of the United States.*

The committee has modified this section of the House bill to limit it to contracts for the procurement of commodities and services,

including defense articles and services, to which the United States is a party. This modification is considered desirable inasmuch as it appears inappropriate and administratively difficult to apply the House provision for contracts to which the United States is not a party.

#### INVESTIGATIONS FOR LOYALTY AND SECURITY OF CONTRACT EMPLOYEES

The committee concurs in the following amendment, included in the bill by the House:

SEC. 111. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any contract for the performance of services outside the United States by United States citizens where such citizens have not been investigated for loyalty and security in the same manner and to the same extent as would apply if they were regularly employed by the United States

The committee recognizes that it would not be practical to apply this provision to U.S. citizen-employees of international organizations engaged in work overseas on programs supported by funds provided in this act.

#### SELECTION BY UNITED STATES OF FIRMS TO PROVIDE ENGINEERING, PROCUREMENT, AND CONSTRUCTION SERVICES

The committee amended the following House provision as indicated:

SEC. 112. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any capital project financed by loans or grants from the United States where the United States has not directly ~~selected~~ approved the firms to provide engineering, procurement, and construction services on such project.

When AID enters into a loan or grant agreement with a foreign government or other persons to finance the construction of a capital project, it frequently authorizes the aid recipient to select and contract with the firm which will provide the services necessary to the project. When this authority is given, AID, with very few exceptions, approves both the selection of the firm providing the services and the contract that has been negotiated. This practice of so-called country contracting is generally used in loans and is being used increasingly in connection with grant assistance. The committee does not intend this provision to require AID approval of firms providing engineering, procurement or construction services where such services are financed from sources other than those contained in this bill.

### DEVELOPMENT RESEARCH

The following provision has been amended by the committee as indicated:

**SEC. 113.** Of the funds appropriated or made available pursuant to this Act not more than \$4,000,000 \$12,000,000 may be used during the fiscal year ending June 30, 1963, in carrying out section 241 of the Foreign Assistance Act of 1961, as amended.

The House bill places a limit of \$4 million on the economic assistance funds that can be used during fiscal year 1963 in carrying out section 241 (development research) of the Foreign Assistance Act.

The imposition of this limitation eliminates necessary program flexibility and does not recognize the past and planned programs required to provide proper balance in "Development grant" activities and the total foreign aid effort.

During the first year of its operation (fiscal year 1962), while establishing direction in these concepts, the program used over \$8 million. Now that the program is underway the agency estimates the need for \$20 million in fiscal year 1963.

The fundamental purpose of this program is to identify problems impeding progress in the less developed countries and to discover useful solutions, through scientific investigation, that will speed up the attainment of development goals. The committee believes that the limitation imposed by the House should be relaxed sufficiently to permit the agency to move forward with an adequate program which it anticipates will bring back to the United States returns in excess of the value of the estimated obligations.

### DEOBLIGATION-REOBLIGATION AUTHORITY

The House has not continued available funds, obligated in prior fiscal years, which are deobligated during fiscal year 1963. Authority to reobligate these prior year funds was contained in the appropriation legislation for fiscal year 1962. The committee recommends that this authority be continued for fiscal year 1963, but that reobligations be limited to project purposes, and then only if the project is one which was previously justified to Congress. The committee understands that this authority cannot be used to change, in any substantial form, the essential purpose and scope of a project as contained in the presentation to the Congress. Accordingly, the committee's recommendation would strike a balance between the flexibility necessary for prompt response to changing conditions and priorities and the exercise of congressional control over the expenditure of funds.

The committee provision reads:

*SEC. 115. Amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance", are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: Provided, That such purpose relates to a project previously justified to the Congress.*

**ADMINISTRATIVE EXPENSES IN CONNECTION WITH SECTION 104(e) OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT**

The House bill does not make available foreign currencies accruing under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for administrative expenses incurred in connection with section 104(e) (Cooley) loans, as requested in the budget estimate.

The Congress traditionally made these funds available to the Export-Import Bank, in addition to its regular administrative budget, when the Bank administered the Cooley loan program. The Bank administered the program until December 31, 1961, at which time it was transferred to the Agency for International Development.

The Export-Import Bank administered the program, however, under an annual limitation of the equivalent of \$200,000. The committee recommends that like authority be given to AID, and appropriate language has been included in the bill.

**UNAUTHORIZED REPRODUCTION OF AMERICAN BOOKS**

The committee several times in the past has taken notice of the problem of unauthorized reproductions of American copyrighted books in Nationalist China and has directed the Department of State to exert every effort to have this practice discontinued. However, this practice appears to be continuing within the territory of the Nationalist Chinese Government. The Department of State is requested to continue efforts to have this practice discontinued and to establish a mutually satisfactory system of copyright relations between the United States and Nationalist China.

The committee requests the Department of State to report to it soon after the first of the year such action it has taken in this respect.

**NATIONALIZATION OF PROPERTY OF U.S. CITIZENS**

Section 620(e) of the Foreign Assistance Act of 1962 reads as follows:

(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—

(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps,

which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

The committee recommends that a most strict interpretation be given to this section of the act. The degree of effectiveness of this section, particularly as to expropriation of property owned by U.S. citizens, is directly related to the degree of strictness of interpretation and application of its terms to any country receiving assistance under this act.

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1962, AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1963**

**TITLE I—FOREIGN AID (MUTUAL SECURITY)**

Item	Appropriations, 1962	Budget estimates, 1963	Recommended in House bill for 1963	Amount recom- mended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—	Budget estimates, 1963	House bill
					Appropriations, 1962		
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>							
ECONOMIC ASSISTANCE							
Development grants	\$296,500,000	\$335,000,000	\$225,000,000	\$275,000,000	-\$21,500,000	-\$60,000,000	+\$50,000,000
Development grants, special authorization	100,000				-100,000		
American hospitals abroad (special foreign currency program)	1,280,000,000	2,800,000	2,800,000	1,000,000	+2,800,000		
Investment guarantees	2,180,000,000	30,000,000	100,000,000	400,000,000	+100,000,000	-80,000,000	+70,000,000
Surveys of investment opportunities	5,000,000				-50,000	-4,000,000	+1,000,000
International organizations and programs	148,900,000	148,900,000	148,900,000	400,000,000	-4,600,000	-25,000,000	+50,000,000
Supporting assistance	3,481,500,000	350,000,000	400,000,000	400,000,000	-81,500,000		
Contingency fund	400,000,000	225,000,000	290,000,000	290,000,000	+15,000,000	-110,000,000	+65,000,000
Alliance for Progress	600,000,000	4,525,000,000	575,000,000	575,000,000	+575,000,000	-25,000,000	+50,000,000
Development loans	1,250,000,000	775,000,000	1,125,000,000	1,125,000,000	+12,500,000	-125,000,000	+350,000,000
Administrative expenses (AID)	55,000,000	46,000,000	52,000,000	52,000,000	+4,500,000	-3,000,000	+6,000,000
Administrative expenses (State)	3,000,000	3,100,000	2,700,000	3,100,000	+100,000		+400,000
Subtotal, economic assistance	3,461,300,000	2,330,400,000	2,972,800,000	2,972,800,000	+658,200,000	-488,500,000	+642,400,000
MILITARY ASSISTANCE							
Military assistance	1,600,000,000	1,500,000,000	1,300,000,000	1,450,000,000	-150,000,000	-50,000,000	+150,000,000
Total, Title I—Foreign Aid (mutual security)	3,914,600,000	4,961,300,000	3,630,400,000	4,422,800,000	+508,200,000	-538,500,000	+792,400,000

# FOREIGN ASSISTANCE APPROPRIATIONS, 1963

25

## TITLE II—FOREIGN AID (OTHER)

Funds Appropriated to the President					
Peace Corps-----	\$30,000,000	\$63,750,000	\$52,000,000	\$63,750,000	+\$33,750,000
DEPARTMENT OF THE ARMY					
Ryukyu Islands-----	7,089,000	5 14,282,000	7,900,000	12,000,000	+4,911,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Assistance to refugees in the United States (Cuban refugees) -----		6 70,110,000	55,000,000	70,110,000	+70,110,000
DEPARTMENT OF STATE					
Migration and refugee assistance-----		7 21,977,000	14,417,000	16,677,000	+16,677,000
Investment in the Inter-American Development Bank-----	110,090,000	80,000,000	60,000,000	60,000,000	-50,000,000
Subscription to the International Development Association-----	61,656,040	61,656,000	61,656,000	61,656,000	-
Total, Title II—Mutual security (other) -----	208,745,000	291,775,000	251,003,000	284,193,000	+75,448,000

## TITLE III—INTERNATIONAL MONETARY FUND

Funds Appropriated to the President					
Loans to the International Monetary Fund-----		\$2,000,000,000	\$2,000,000,000	\$2,000,000,000	+\$2,000,000,000
DEPARTMENT OF COMMERCE					
Limitation on operating expenses-----		(\$1,905,000,000)	(\$1,295,000,000)	(\$1,295,000,000)	(-\$85,000,000)
Limitation on administrative expenses-----		(3,010,000)	(3,000,000)	(3,000,000)	(-10,000)

## TITLE IV—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating expenses-----					
Limitation on administrative expenses-----					

See footnotes at end of table, p. 26.

*Comparative statement of appropriations for 1962, and estimates and amounts recommended in bill for 1963—Continued*

**TITLE V—MISCELLANEOUS AGENCIES**

Item	Appropriations, 1962	Budget estimates, 1963	Recommended in House bill for 1963	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—	
				Appropriations, 1962	Budget estimates, 1963	House bill
<b>FOREIGN CLAIMS SETTLEMENT COMMISSION</b>						
Payment of Philippine war damage claims	\$73,000,000	\$73,000,000	\$73,000,000	\$73,000,000	+\$73,000,000	
Salaries and expenses	560,000	( <sup>10</sup> )	560,000	560,000	+560,000	
<b>UNITED STATES INFORMATION AGENCY</b>						
Acquisition and construction of radio facilities	117,375,000	1,600,000			-87,375,000	-1,600,000
<b>DEPARTMENT OF STATE</b>						
INTERNATIONAL ORGANIZATIONS AND CONFERENCES	11,019,000	849,000	849,000	849,000	+849,000	-170,000
International conferences and contingencies	81,954,000	75,449,000	74,409,000	74,409,000	+74,409,000	-7,545,000
Total, Title V—Miscellaneous agencies						-1,040,000
Grand total, all titles of the bill	\$4,123,345,000	7,335,029,000	5,956,832,000	6,781,402,000	+2,638,057,000	-553,627,000
						+824,550,000

<sup>1</sup> Contained in H. Doe. 430.

<sup>2</sup> Contained in H. Does. 430 and 503. H. Doe. 430 substituted a request for an appropriation of \$100,000,000 in lieu of the request for an authorization to expend from debt receipts in the same amount, as proposed in the January Budget.

<sup>3</sup> Reflects decrease of \$18,500,000 in H. Doe. 430.

<sup>4</sup> Includes \$325,000,000 for loans and \$100,000,000 for grants.

<sup>5</sup> Includes \$6,000,000 contained in H. Doe. 378 and \$382,000 contained in H. Doe. 463.

<sup>6</sup> Contained in H. Doe. 514.

<sup>7</sup> Contained in H. Doe. 524.

<sup>8</sup> Contained in H. Doe. 446.

<sup>9</sup> Contained in H. Doe. 535.

<sup>10</sup> \$500,000 made available in item, Payment of Philippine war damage claims.

<sup>11</sup> Contained in H. Doe. 537.





Calendar No. 2140

87<sup>TH</sup> CONGRESS  
2D SESSION

H. R. 13175

[Report No. 2177]

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 1962

Read twice and referred to the Committee on Appropriations

SEPTEMBER 28, 1962

Reported by Mr. HAYDEN, with amendments

[Omit the part struck through and insert the part printed in italic]

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**AN ACT**

Making appropriations for Foreign Aid and related agencies  
for the fiscal year ending June 30, 1963, and for other  
purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the fiscal  
5       year ending June 30, 1963, namely:

6       **TITLE I—FOREIGN AID (MUTUAL SECURITY)**

7       **FUNDS APPROPRIATED TO THE PRESIDENT**

8       For expenses necessary to enable the President to carry  
9       out the provisions of the Foreign Assistance Act of 1961,

1 as amended, to remain available until June 30, 1963,  
2 unless otherwise specified herein, as follows:

3                   ECONOMIC ASSISTANCE

4         Development grants: For expenses authorized by section  
5 212, ~~\$225,000,000~~ \$275,000,000.

6         American hospitals abroad (special foreign currency  
7 program) : For assistance authorized by section 214(b)  
8 for hospital construction, \$2,800,000, to be used to pur-  
9 chase foreign currencies which the Treasury Department  
10 determines to be excess to the normal requirements of the  
11 United States.

12         Investment guaranties: For expenses authorized by  
13 section 222 (f), ~~\$30,000,000~~ \$100,000,000, to remain avail-  
14 able until expended.

15         *Surveys of investment opportunities: For expenses au-*  
16 *thorized by section 232, \$1,000,000.*

17         International organizations and programs: For expenses  
18 authorized by section 302, \$148,900,000: *Provided,* That  
19 no part of any other appropriation contained in this Act  
20 may be used to augment funds or programs contained in  
21 this paragraph: *Provided,* That no part of any other ap-  
22 propriation contained in this Act, except funds appropriated  
23 under this Act for the contingency fund, may be used to  
24 augment funds or programs contained in this paragraph, and

1    no funds shall be transferred from funds appropriated under  
2    any other paragraph of title I of this Act to the contingency  
3    fund for the purpose of augmenting funds or programs con-  
4    tained in this paragraph.

5       Supporting assistance: For expenses authorized by  
6    section 402, ~~\$350,000,000~~ \$400,000,000.

7       Contingency fund: For expenses authorized by section  
8    451 (a), ~~\$225,000,000~~ \$290,000,000.

9       Alliance for Progress, development loans: For assistance  
10    authorized by section 252, ~~\$425,000,000~~, to remain available  
11    until expended.

12      Alliance for Progress, development grants: For expenses  
13    authorized by section 252, ~~\$100,000,000~~.

14      Alliance for Progress: For assistance authorized by  
15    section 252, including not to exceed \$100,000,000 for grants,  
16    \$575,000,000, all such funds to remain available for loans  
17    until expended.

18      Development loans: For expenses authorized by section  
19    202 (a), ~~\$775,000,000~~ \$1,125,000,000, to remain available  
20    until expended.

21      Administrative expenses: For expenses authorized by  
22    section 637 (a), ~~\$46,000,000~~ \$52,000,000.

23      Administrative and other expenses: For expenses  
24    authorized by section 637 (b) of the Foreign Assistance Act

1 of 1961 as amended and by section 305 of the Mutual De-  
2 fense Assistance Control Act of 1951, as amended, \$2,700,-  
3 000 \$3,100,000.

## MILITARY ASSISTANCE

5        Military assistance: For expenses authorized by section  
6 504 (a) of the Foreign Assistance Act of 1961, as amended,  
7 including administrative expenses authorized by section  
8 636 (g) (1) of such Act, which shall not exceed \$24,000,-  
9 000 \$24,500,000 for the current fiscal year, and purchase of  
10 passenger motor vehicles for replacement only for use outside  
11 the United States, \$1,300,000,000 \$1,450,000,000: Pro-  
12 vided, That none of the funds contained in this paragraph  
13 shall be available for the purchase of new automotive vehicles  
14 outside of the United States.

15        Unobligated balances as of June 30, 1962, of funds here-  
16        tofore made available under the the authority of the Foreign  
17        Assistance Act of 1961, *as amended*, are, except as other-  
18        wise provided by law, hereby continued available for the  
19        fiscal year 1963 for the same general purposes for which  
20        appropriated.

## **GENERAL PROVISIONS**

22 SEC. 101. None of the funds herein appropriated  
23 (other than funds appropriated under the authorization for  
24 "International organizations and programs") shall be used  
25 to finance the construction of any new flood control, reclama-

1 tion, or other water or related land resource project or pro-  
2 gram which has not met the standards and criteria used in  
3 determining the feasibility of flood control, reclamation and  
4 other water and related land resource programs and projects  
5 proposed for construction within the United States of  
6 America as per circular A-47 of the Bureau of the Budget,  
7 dated December 31, 1952 *memorandum of the President*  
8 *dated May 15, 1962.*

9       SEC. 102. Obligations made from funds herein ap-  
10 propriated for engineering and architectural fees and services  
11 to any individual or group of engineering and architectural  
12 firms on any one project in excess of \$25,000 shall be re-  
13 ported to the Committees on Appropriations of the Senate  
14 and House of Representatives at least twice annually.

15       SEC. 103. Except for the appropriations entitled "Con-  
16 tingency fund" and "Development loans", not more than  
17 20 per centum of any appropriation item made available by  
18 this title shall be obligated and/or reserved during the last  
19 month of availability.

20       SEC. 104. None of the funds herein appropriated nor  
21 any of the counterpart funds generated as a result of assist-  
22 ance hereunder or any prior Act shall be used to pay pen-  
23 sions, annuities, retirement pay or adjusted service compen-  
24 sation for any persons heretofore or hereafter serving in the  
25 armed forces of any recipient country.

1        SEC. 105. The Congress hereby reiterates its opposition  
2 to the seating in the United Nations of the Communist  
3 China regime as the representative of China, and it is hereby  
4 declared to be the continuing sense of the Congress that  
5 the Communist regime in China has not demonstrated its  
6 willingness to fulfill the obligations contained in the Charter  
7 of the United Nations and should not be recognized to represent  
8 China in the United Nations. In the event of the  
9 seating of representatives of the Chinese Communist regime  
10 in the Security Council or General Assembly of the United  
11 Nations, the President is requested to inform the Congress  
12 insofar as is compatible with the requirements of national  
13 security, of the implications of this action upon the foreign  
14 policy of the United States and our foreign relationships,  
15 including that created by membership in the United Nations,  
16 together with any recommendations which he may have with  
17 respect to the matter.

18        SEC. 106. It is the sense of Congress that any attempt  
19 by foreign nations to create distinctions because of their race  
20 or religion among American citizens in the granting of personal  
21 or commercial access or any other rights otherwise available  
22 to United States citizens generally is repugnant to our principles;  
23 and in all negotiations between the United States and any foreign state arising as a result of funds appro-

1 priated under this title these principles shall be applied as  
2 the President may determine.

3 SEC. 107. (a) None of the funds provided in this title  
4 shall be available for assistance to any country, the govern-  
5 ment of which sells arms, ammunition, or implements of  
6 war to the Castro regime, or permits ships under its registry  
7 to deliver arms, ammunition, implements of war, or other  
8 goods, wares and merchandise to that regime, or which  
9 furnishes, by grant or loan, any military or economic aid  
10 to that regime, or for any expenses of transportation, directly  
11 or indirectly, by merchant marine ships of any nation whose  
12 ships are used to transport any military or economic supplies  
13 to that regime.

14 (b) None of the funds appropriated in this title shall be  
15 available for assistance to any country which permits vessels  
16 registered, enrolled, licensed, or otherwise documented under  
17 its laws to transport to Cuba, so long as it is governed by  
18 the Castro regime, any arms, ammunition, implements of  
19 war, atomic energy materials, or any articles, materials, or  
20 supplies contained on the list (known as the "positive list")  
21 maintained by the Secretary of Commerce of commodities  
22 with respect to which an export license is required under the  
23 Export Control Act of 1949.

24 SEC. 107. (a) *None of the funds provided in this title*

1 shall be available for assistance to any country, the govern-  
2 ment of which sells arms, ammunition, or implements of war  
3 to the Castro regime, or which furnishes, by grant or loan,  
4 any military or economic aid to that regime, or for any ex-  
5 penses of transportation, directly or indirectly, by merchant  
6 marine ships of any nation whose ships are used to transport  
7 any military or economic supplies to that regime, unless the  
8 President determines that the withholding of such assistance  
9 to such country, or the nonpayment of such expenses of trans-  
10 portation, would be contrary to the national interest, and  
11 reports such determination to the Foreign Relations and  
12 Appropriations Committees of the Senate and the Foreign  
13 Affairs and Appropriations Committees of the House of  
14 Representatives.

15 (b) None of the funds appropriated in this title shall  
16 be available for assistance to any country which permits  
17 vessels registered, enrolled, licensed, or otherwise documented  
18 under its laws to transport to Cuba, so long as it is governed  
19 by the Castro regime, any arms, ammunition, implements of  
20 war, atomic energy materials, or any articles, materials, or  
21 supplies, such as petroleum, transportation materials of stra-  
22 tegic value, and items of primary strategic significance used  
23 in the production of arms, ammunition, and implements of  
24 war, contained on the list maintained by the Administrator  
25 pursuant to title I of the Mutual Defense Assistance Control

1   *Act of 1951, as amended, unless the President determines*  
2   *that the withholding of such assistance to such country would*  
3   *be contrary to the national interest, and reports such deter-*  
4   *mination to the Foreign Relations and Appropriations Com-*  
5   *mittees of the Senate and the Foreign Affairs and Appropri-*  
6   *ations Committees of the House of Representatives.*

7       SEC. 108. Any obligation made from funds provided in  
8   this title for procurement outside the United States of any  
9   commodity in bulk and in excess of \$100,000 shall be  
10   reported to the Committees on Appropriations of the Senate  
11   and the House of Representatives at least twice annually:  
12   *Provided*, That each such report shall state the reasons for  
13   which the President determined, pursuant to criteria set  
14   forth in section 604 (a) of the Foreign Assistance Act of  
15   1961, *as amended*, that foreign procurement will not ad-  
16   versely affect the economy of the United States.

17       SEC. 109. No funds appropriated by title I of this Act,  
18   except funds appropriated under that section entitled "Amer-  
19   iean hospitals abroad (special foreign currency program)"  
20   shall be expended in, or for the benefit of, any nation whose  
21   government is based upon that theory of government known  
22   as Communism.

23       SEC. 109. No assistance shall be furnished under the  
24   Foreign Assistance Act of 1961, *as amended* (except sec-

1      *tion 214(b)) to any Communist country. This restriction*  
2      *may not be waived pursuant to any authority contained in*  
3      *this Act unless the President finds and promptly reports to*  
4      *the Foreign Relations and Appropriations Committees of the*  
5      *Senate and the Foreign Affairs and Appropriations Com-*  
6      *mittees of the House of Representatives that: (1) such assis-*  
7      *tance is vital to the security of the United States; (2) the*  
8      *recipient country is not controlled by the international Com-*  
9      *munist conspiracy; and (3) such assistance will further*  
10     *promote the independence of the recipient country from inter-*  
11     *national communism. For the purposes of this subsection,*  
12     *the phrase "Communist country" shall include specifically,*  
13     *but not be limited to, the following countries:*

- 14     *Peoples Republic of Albania,*  
15     *Peoples Republic of Bulgaria,*  
16     *Peoples Republic of China,*  
17     *Czechoslovak Socialist Republic,*  
18     *German Democratic Republic (East Germany),*  
19     *Estonia,*  
20     *Hungarian Peoples Republic,*  
21     *Latvia,*  
22     *Lithuania,*  
23     *North Korean Peoples Republic,*  
24     *North Vietnam,*  
25     *Outer Mongolia-Mongolian Peoples Republic,*

1      *Polish Peoples Republic,*  
2      *Rumanian Peoples Republic,*  
3      *Tibet,*  
4      *Federal Peoples Republic of Yugoslavia,*  
5      *Cuba, and*  
6      *Union of Soviet Socialist Republics.*

7      SEC. 110. None of the funds appropriated or made avail-  
8      able pursuant to this Act for carrying out the Foreign  
9      Assistance Act of 1961, as amended, may be used for mak-  
10     ing payments on any contract entered into after the date of  
11     enactment of this Act which does not contain a provision  
12     authorizing the termination of such contract *for procurement*  
13     *to which the United States is a party* for the convenience  
14     of the United States.

15     SEC. 111. None of the funds appropriated or made  
16     available under this Act for carrying out the Foreign As-  
17     sistance Act of 1961, as amended, may be used to make pay-  
18     ments with respect to any contract for the performance of  
19     services outside the United States by United States citizens  
20     where such citizens have not been investigated for loyalty and  
21     security in the same manner and to the same extent as would  
22     apply if they were regularly employed by the United States.

23     SEC. 112. None of the funds appropriated or made  
24     available under this Act for carrying out the Foreign Assist-  
25     ance Act of 1961, as amended, may be used to make pay-

1 ments with respect to any capital project financed by loans  
2 or grants from the United States where the United States  
3 has not directly selected *approved* the firms to provide engi-  
4 neering, procurement, and construction services on such  
5 project.

6 SEC. 113. Of the funds appropriated or made available  
7 pursuant to this Act not more than \$4,000,000 \$12,000,000  
8 may be used during the fiscal year ending June 30, 1963,  
9 in carrying out section 241 of the Foreign Assistance Act  
10 of 1961, as amended.

11 SEC. 114. None of the funds appropriated or made  
12 available pursuant to this Act for carrying out the Foreign  
13 Assistance Act of 1961, as amended, may be used to pay in  
14 whole or in part any assessments, arrearages or dues of any  
15 member of the United Nations.

16 SEC. 115. *Amounts certified pursuant to section 1311 of*  
17 *the Supplemental Appropriation Act, 1955, as having been*  
18 *obligated against appropriations heretofore made under the*  
19 *authority of the Mutual Security Act of 1954, as amended,*  
20 *and the Foreign Assistance Act of 1961, as amended, for*  
21 *the same general purpose as any of the subparagraphs under*  
22 *“Economic Assistance”, are hereby continued available for*  
23 *the same period as the respective appropriations in such sub-*  
24 *paragraphs for the same general purpose: Provided, That*

1 such purpose relates to a project previously justified to the  
2 Congress.

3 SEC. 116. Foreign currencies not to exceed \$200,000,  
4 made available for loans pursuant to section 104(e) of the  
5 Agricultural Trade Development and Assistance Act of 1954,  
6 as amended, shall be available during the current fiscal year  
7 for expenses incurred incident to such loans.

8           **TITLE II—FOREIGN AID (OTHER)**

9           **FUNDS APPROPRIATED TO THE PRESIDENT**

10           **PEACE CORPS**

11       For expenses necessary to enable the President to carry  
12 out the provisions of the Peace Corps Act (75 Stat. 612),  
13 including purchase of not to exceed ten passenger motor  
14 vehicles for use outside the United States, ~~\$52,000,000~~  
15 ~~\$63,750,000,~~ of which not to exceed ~~\$15,500,000~~ shall be  
16 available for administration and program support costs.

17           **DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS**

18           **RYUKYU ISLANDS, ARMY**

19           **ADMINISTRATION**

20       For expenses, not otherwise provided for, necessary to  
21 meet the responsibilities and obligations of the United States  
22 in connection with the government of the Ryukyu Islands,  
23 as authorized by the Act of July 12, 1960 (74 Stat. 461);  
24 services as authorized by section 15 of the Act of August 2,

1 1946 (5 U.S.C. 55a), of individuals not to exceed ten in  
2 number; not to exceed \$3,500 for contingencies for the  
3 High Commissioner, to be expended in his discretion;  
4 hire of passenger motor vehicles and aircraft; purchase of  
5 four passenger motor vehicles for replacement only; and con-  
6 struction, repair, and maintenance of buildings, utilities, fa-  
7 cilities, and appurtenances; ~~\$7,900,000~~ \$12,000,000, of which  
8 not to exceed ~~\$1,900,000~~ \$2,100,000 shall be available for  
9 administrative and information expenses: *Provided*, That  
10 expenditures from this appropriation may be made outside  
11 continental United States when necessary to carry out its  
12 purposes, without regard to sections 355 and 3648, Revised  
13 Statutes, as amended, section 4774(d) of title 10, United  
14 States Code, civil service or classification laws, or provisions  
15 of law prohibiting payment of any person not a citizen of  
16 the United States: *Provided further*, That funds appropri-  
17 ated hereunder may be used, insofar as practicable, and under  
18 such rules and regulations as may be prescribed by the  
19 Secretary of the Army to pay ocean transportation charges  
20 from United States ports, including territorial ports, to ports  
21 in the Ryukyus for the movement of supplies donated to,  
22 or purchased by, United States voluntary nonprofit relief  
23 agencies registered with and recommended by the Advisory  
24 Committee on Voluntary Foreign Aid or of relief packages  
25 consigned to individuals residing in such areas: *Provided*

1 further, That the President may transfer to any other depart-  
2 ment or agency any function or functions provided for under  
3 this appropriation, and there shall be transferred to any such  
4 department or agency without reimbursement and without  
5 regard to the appropriation from which procured, such  
6 property as the Director of the Bureau of the Budget shall  
7 determine to relate primarily to any function or functions  
8 so transferred.

9 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
10 ASSISTANCE TO REFUGEES IN THE UNITED STATES

11 For expenses necessary to carry out the provisions of  
12 the Migration and Refugee Assistance Act of 1962 (Public  
13 Law 87-510), relating to aid to refugees within the United  
14 States, including hire of passenger motor vehicles, and serv-  
15 ices as authorized by section 15 of the Act of August 2, 1946  
16 (5 U.S.C. 55a), ~~\$55,000,000~~ \$70,110,000: Provided, That  
17 this appropriation shall reimburse other current applicable  
18 appropriations for activities conducted after June 30, 1962,  
19 pursuant to section 7 of the Migration and Refugee Assistance  
20 Act of 1962.

21 DEPARTMENT OF STATE

22 MIGRATION AND REFUGEE ASSISTANCE

23 For expenses, not otherwise provided for, necessary to  
24 enable the Secretary of State to provide assistance to ref-  
25 ugees, as authorized by law, including contributions to the

1 Intergovernmental Committee for European Migration and  
2 the United Nations High Commissioner for Refugees; sal-  
3 aries, expenses, and allowances of personnel and dependents as  
4 authorized by the Foreign Service Act of 1946, as amended  
5 (22 U.S.C. 801-1158); hire of passenger motor vehicles;  
6 and services as authorized by section 15 of the Act of  
7 August 2, 1946 (5 U.S.C. 55a); ~~\$14,447,000~~ \$16,677,000:  
8 *Provided*, That this appropriation shall reimburse other appli-  
9 cable appropriations for activities conducted after June 30,  
10 1962, pursuant to section 7 of the Migration and Refugee  
11 Assistance Act of 1962: *Provided further*, That no funds  
12 herein appropriated shall be used to assist directly in the  
13 migration to any nation in the Western Hemisphere of any  
14 person not having a security clearance based on reasonable  
15 standards to insure against Communist infiltration in the  
16 Western Hemisphere.

17 FUND APPROPRIATED TO THE PRESIDENT

18 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

19 For payment of subscriptions to the Inter-American  
20 Development Bank, to remain available until expended,  
21 \$60,000,000 for the third installment on paid-in capital stock.

22 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT

23 ASSOCIATION

24 For payment of the third installment of the subscription  
25 of the United States to the International Development As-  
26 siation, \$61,656,000, to remain available until expended.

1    **TITLE III—INTERNATIONAL MONETARY FUND**  
2               **FUNDS APPROPRIATED TO THE PRESIDENT**  
3               **LOANS TO THE INTERNATIONAL MONETARY FUND**

4        For loans to the International Monetary Fund, as au-  
5        thorized by the Act of June 19, 1962 (Public Law 87-490),  
6        \$2,000,000,000, to remain available until December 31,  
7        1966 *expended*. The indefinite appropriation for the pay-  
8        ment of interest on the public debt (31 U.S.C. 711), shall  
9        be available for the payment of charges in connection with  
10      any purchases of currencies or gold by the United States  
11      from the International Monetary Fund.

12        **TITLE IV—EXPORT-IMPORT BANK OF**  
13               **WASHINGTON**

14        The Export-Import Bank of Washington is hereby  
15      authorized to make such expenditures within the limits of  
16      funds and borrowing authority available to such corporation,  
17      and in accord with law, and to make such contracts and  
18      commitments without regard to fiscal year limitations as  
19      provided by section 104 of the Government Corporation  
20      Control Act, as amended, as may be necessary in carrying  
21      out the programs set forth in the budget for the current fiscal  
22      year for such corporation, except as hereinafter provided:

23               **LIMITATION ON OPERATING EXPENSES**

24        Not to exceed \$1,295,000,000 (of which not to exceed  
25      \$750,000,000 shall be for development loans) shall be

1 authorized during the current fiscal year for other than  
2 administrative expenses.

3           **LIMITATION ON ADMINISTRATIVE EXPENSES**

4       Not to exceed \$3,000,000 (to be computed on an  
5 accrual basis) shall be available during the current  
6 fiscal year for administrative expenses, including serv-  
7 ices as authorized by section 15 of the Act of August 2, 1946  
8 (5 U.S.C. 55a) at rates not to exceed \$75 per diem for  
9 individuals, and not to exceed \$9,000 for entertainment  
10 allowances for members of the Board of Directors:  
11 *Provided*, That (1) fees or dues to international organiza-  
12 tions of credit institutions engaged in financing foreign trade,  
13 (2) necessary expenses (including special services per-  
14 formed on a contract or fee basis, but not including other per-  
15 sonal services) in connection with the acquisition, operation,  
16 maintenance, improvement, or disposition of any real or  
17 personal property belonging to the Bank or in which it has  
18 an interest, including expenses of collections of pledged col-  
19 lateral, or the investigation or appraisal of any property in  
20 respect to which an application for a loan has been made,  
21 and (3) expenses (other than internal expenses of the  
22 Bank) incurred in connection with the issuance and serv-  
23 icing of guarantees, insurance, and reinsurance shall be con-  
24 sidered as nonadministrative expenses for the purposes  
25 hereof.

## 1       TITLE V—MISCELLANEOUS AGENCIES

## 2       FOREIGN CLAIMS SETTLEMENT COMMISSION

## 3       PAYMENT OF PHILIPPINE WAR DAMAGE CLAIMS

4       For the payment of the unpaid balance of awards for  
5   war damage compensation heretofore made by the Philippine  
6   War Damage Commission, as authorized by law, \$73,000,  
7   000 \$73,560,000, to remain available until expended, of  
8   which \$500,000 \$560,000 shall be available for "Salaries  
9   and expenses", including an additional amount of not to  
10   exceed \$25,000 for expenses of travel.

## 11       UNITED STATES INFORMATION AGENCY

## 12       ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

13       For an additional amount for "Acquisition and construc-  
14   tion of radio facilities", \$1,600,000, to remain available until  
15   expended.

## 16       DEPARTMENT OF STATE

## 17       INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## 18       International Conferences and Contingencies

19       For an additional amount for "International conferences  
20   and contingencies", \$849,000.

## 21       TITLE VI—GENERAL PROVISIONS

22       SEC. 601. No part of any appropriation contained in  
23   this Act shall be used for publicity or propaganda purposes  
24   within the United States not heretofore authorized by the  
25   Congress.

1        SEC. 602. None of the funds herein appropriated shall  
2    be used for expenses of the Inspector General, Foreign As-  
3    sistance, after the expiration of the thirty-five day period  
4    which begins on the date the General Accounting Office or  
5    any committee of the Congress, or any duly authorized  
6    subcommittee thereof, charged with considering foreign as-  
7    sistance legislation, appropriations, or expenditures, has de-  
8    livered to the office of the Inspector General, Foreign Assist-  
9    ance, a written request that it be furnished any document,  
10   paper, communication, audit, review, finding, recommenda-  
11   tion, report, or other material in the custody or control of  
12   the Inspector General, Foreign Assistance, relating to any  
13   review, inspection, or audit arranged for, directed, or con-  
14   ducted by him, unless and until there has been furnished to  
15   the General Accounting Office or to such committee or sub-  
16   committee, as the case may be, (A) the document, paper,  
17   communication, audit, review, finding, recommendation, re-  
18   port, or other material so requested or (B) a certification  
19   by the President, personally, that he has forbidden the fur-  
20   nishing thereof pursuant to such request and his reason for  
21   so doing.

1 SEC. 603. This Act may be cited as the "Foreign  
2 Aid and Related Agencies Appropriation Act, 1963."

Passed the House of Representatives September 20,  
1962.

Attest: RALPH R. ROBERTS,  
*Clerk.*

87<sup>TH</sup> CONGRESS      H. R. 13175  
2<sup>D</sup> SESSION

[Report No. 2177]

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## AN ACT

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

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SEPTEMBER 21, 1962

Read twice and referred to the Committee on Appropriations

SEPTEMBER 28, 1962

Reported with amendments





Sept. 29, 1962

Foreign Aid Programs." p. 19997

24. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the foreign aid appropriation bill will be considered next Mon., Oct. 1, following by consideration of the State-Justice-Commerce appropriation bill, the public works appropriation bill, and the roads bill, and that the conference report on the tax bill will probably be considered Wed., and the supplemental appropriation bill will probably be considered on Thurs. pp. 20011-3

SENATE - Sept. 29

25. PUBLIC WORKS APPROPRIATION BILL, 1963. Began debate on this bill, H. R. 12900. pp. 20114, 20115, 20118-43, 20149, 20156, 20168-237

26. STATE-COMMERCE-JUDICIARY APPROPRIATION BILL, 1963. Sen. Smathers submitted notice that he will move to suspend the rules on this bill, H. R. 12580, for the purpose of proposing amendments to it. pp. 20102-9

27. FOREIGN AID APPROPRIATION BILL, 1963. Sens. Smathers and Hayden submitted notices that they will move to suspend the rules on this bill, H. R. 13175, for the purpose of proposing amendments to it. p. 20109

28. WATER POLLUTION. The Judiciary Committee reported without amendment H. R. 10617, providing that the U. S. district courts shall have jurisdiction of certain cases involving pollution of interstate river systems, and providing for the venue thereof (S. Rept. 2211). p. 20102

29. EDUCATION. The Labor and Public Welfare Committee reported with amendment S. 3477, to promote the security and welfare of the people of the U. S. by providing for a program to assist the several states in further developing their programs of general university extension education (S. Rept. 2204). p. 20102

30. PERSONNEL. The Judiciary Committee reported with amendments H. R. 8140, to strengthen the criminal laws relating to bribery, graft, and conflicts of interest (S. Rept. 2213), p. 20102

Passed without amendment H. R. 10652, to amend the Administrative Expenses Act of 1946 to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another so as to provide that the employee may be reimbursed the actual cost of moving the trailer if it is moved by a commercial firm or his agency contracts to move it. This bill will now be sent to the President. p. 20153

31. MINERALS. Passed as reported H. R. 11049, to provide for the relief of certain oil and gas lessees under the Mineral Leasing Act. pp. 20149-51

32. SURPLUS PROPERTY. Passed without amendment H. R. 11378, to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus property to schools for the mentally retarded, schools for the physically handicapped, educational television stations, and public libraries. This bill will now be sent to the President. pp. 20153-4

33. ADJOURNED until Mon. Oct. 1. p. 20237

forestry research by providing grants and other assistance for forestry research to land-grant colleges and universities or agricultural experiment stations, was passed as reported on Sept. 25, and passed the bill without amendment. (pp. 20021-3) This bill will now be sent to the President. Rejected the committee amendments which would have made all colleges and universities offering graduate training in the sciences basic to forestry and having forestry schools eligible for grants under the bill without regard to whether they are State supported. (p. 20023)

13. STATE, JUSTICE, COMMERCE, JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963. A subcommittee of the Appropriations Committee approved for full committee consideration with amendments this bill, H. R. 12580. p. D907
14. BUDGETING. The Government Operations Committee reported without amendment H.R. 10613, to repeal subsection (d) of Sec. 16 of the Administrative Expenses Act of 1946 which requires detailed budget estimates for appropriations to be used for purchase or hire of passenger motor vehicles or for purchase, maintenance, or operation of aircraft (S. Rept. 2184). p. 19997
15. PERSONNEL. The Government Operations Committee reported without amendment H.R. 10652, to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another (S. Rept. 2185). p. 19997  
Agreed to the conference report on H. R. 12180, to extend until July 1, 1964, the existing provisions of law permitting the free importation of personal and household effects brought into the U. S. under Government orders. This bill will now be sent to the President. p. 20082
16. MINERALS. The Interior and Insular Affairs Committee reported with amendments S. 1696, to authorize the Secretary of the Interior to conduct a survey of federally-owned lands for the purpose of locating strategic minerals (S. Rept. 2188). p. 19997
17. D. C. APPROPRIATION BILL, 1963. Passed as reported this bill, H. R. 12276. Conferees were appointed. pp. 20025-78
18. DRUGS. Conferees were appointed on S. 1552, the proposed Drug Industry Act of 1962. House conferees have already been appointed. pp. 20078-82
19. WILDERNESS PRESERVATION. Sen. Humphrey defended the wilderness preservation bill as passed by the Senate and urged the House to take action on the measure this session of Congress. pp. 20097-9
20. RECLAMATION. Concurred in the House amendments to S. 1060, to authorize the construction of the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Wash. This bill will now be sent to the President. pp. 20085-6
21. ELECTRIFICATION. Sen. Jackson defended the provisions of S. 3153, to define the primary marketing area of the Bonneville Power Administration, as passed by the Senate Aug. 8. pp. 20086-8
22. PEACE CORPS. Sen. Humphrey commended the work of the Peace Corps on its first anniversary. pp. 20094-7
23. FOREIGN AID. The Rules and Administration Committee reported a resolution authorizing the printing as a Senate document a study, "United States Private

der a plan described in section 403(a), contributions for which have been paid on behalf of any owner-employee, shall file such returns (in such form and at such times), keep such records, make such identification of contracts and funds (and accounts within such funds), and supply such information, as the Secretary or his delegate shall by forms or regulations prescribe.

"(b) OWNER-EMPLOYEES.—Every individual on whose behalf contributions have been paid as an owner-employee (as defined in section 401(c)(3))—

"(1) to a trust described in section 401(a) which is exempt from tax under section 501(a), or

"(2) to an insurance company or other person under a plan described in section 403(a),

shall furnish the trustee, insurance company, or other person, as the case may be, such information at such times and in such form and manner as the Secretary or his delegate shall prescribe by forms or regulations.

"(c) EMPLOYEES UNDER QUALIFIED BOND PURCHASE PLANS.—Every individual in whose name a bond described in section 405(b)(1) is purchased by his employer under a qualified bond purchase plan described in section 405(a), or by a trust described in section 401(a) which is exempt from tax under section 501(a), shall furnish—

"(1) to his employer or to such trust, and

"(2) to the Secretary (or to such person as the Secretary may by regulations prescribe), such information as the Secretary or his delegate shall by forms or regulations prescribe.

"(d) CROSS REFERENCE.—

"For criminal penalty for furnishing fraudulent information, see section 7207."

"(2) CLERICAL AMENDMENT.—The table of sections for such subpart B is amended by adding after the reference to section 6046 the following:

"Sec. 6047. Information relating to certain trusts and annuity and bond purchase plans."

"(3) PENALTY.—Section 7207 of the Internal Revenue Code of 1954 (relating to fraudulent returns, statements, or other documents) is amended by adding at the end thereof the following new sentence: 'Any person required pursuant to section 6047 (b) or (c) to furnish any information to the Secretary or any other person who willfully furnishes to the Secretary or such other person any information known by him to be fraudulent or to be false as to any material matter shall be fined not more than \$1,000, or imprisoned not more than 1 year, or both.'

"SEC. . . EFFECTIVE DATE.

"The amendments made by this Act shall apply to taxable years beginning after December 31, 1962."

Mr. SMATHERS also submitted an amendment, intended to be proposed by him, to House Bill 12580, making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

NOTICES OF MOTION TO SUSPEND THE RULE—AMENDMENTS OF FOREIGN AID AND RELATED AGENCIES APPROPRIATION ACT

Mr. SMATHERS submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, the following amendment; namely, at the end of the bill to add new sections.

(NOTE.—The above amendment is identical with the amendment Mr. SMATHERS submitted to House bill 12580, the Departments of State, Justice, and Commerce, the judiciary, and related agencies appropriation bill, which appears under a separate heading.)

Mr. SMATHERS also submitted an amendment, intended to be proposed by him, to House bill 13175, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the amendment submitted by Mr. SMATHERS to House bill 12580, the Departments of State, Justice, and Commerce, the judiciary, and related agencies appropriation bill, which appears under a separate heading.)

Mr. HAYDEN submitted the following notice in writing:

In accordance with rule XI, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, the following amendment: namely, on page 12, after line 15, insert the following:

"SEC. 115. Amounts certified pursuant to section 1311 of the Supplement Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance," are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: Provided, That such purpose relates to a project previously justified to Congress."

Mr. HAYDEN also submitted an amendment, intended to be proposed by him, to House bill 13175, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

PROMOTION OF PUBLIC CONFIDENCE IN THE INTEGRITY OF CONGRESS AND THE EXECUTIVE BRANCH—ADDITIONAL COSPONSOR OF BILL

Mr. CLARK. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the bill (S. 1233) to promote public confidence in the integrity of Congress and the executive branch, introduced by the Senator from New Jersey [Mr. CASE].

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

JOINT COMMITTEE TO STUDY THE ORGANIZATION AND OPERATION OF THE CONGRESS—ADDITIONAL COSPONSOR OF CONCURRENT RESOLUTION

Mr. CLARK. Mr. President, I ask unanimous consent that the name of the Senator from Kentucky [Mr. MORTON] be added to the list of cosponsors of the concurrent resolution (S. Con. Res. 93) to create a joint committee to study the organization and operation of the Congress and recommend improvements therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXPRESSION OF SENSE OF CONGRESS IN FULL SUPPORT OF EFFORTS TO ENFORCE COMPLIANCE WITH THE MANDATES OF THE FEDERAL COURTS—ADDITIONAL COSPONSOR OF CONCURRENT RESOLUTION

Mr. CLARK. Mr. President, I ask unanimous consent that my name may be added to the list of cosponsors of the Keating-Douglas concurrent resolution (S. Con. Res. 96) to express the sense of the Congress in full support of efforts to enforce compliance with the mandates of the Federal courts, and that my name will appear on future printings of the concurrent resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. RANDOLPH:

Pugwash Conference editorial comment by London Daily Mirror; Newsweek synopsis; and excerpts from opening session speech in London by Lord Hailsham, Britain's Minister for Science.

**SURVEY OF THE ADJUSTMENT OF  
REFUGEES TO LIFE IN AMERICA**

Mr. HART. Mr. President, when I was honored with the assignment as chairman of the Senate Subcommittee on Refugees and Escapees, it appeared to me that one of the most important tasks before us was to secure a comprehensive survey of refugees who had come to America. How had these refugees adjusted to American life, what was their employment experience, what contributions had they made to our society, what demands had they placed on our community and governmental institutions, what effects on our economy and society resulted from their presence?

Over the last 15 months, the subcommittee has consulted with the Director of the Bureau of the Census, the heads of a number of research organizations including several associated with leading universities in the country, and the representatives of the voluntary social service agencies which assisted in the resettlement of refugees in the United States.

We have now received a number of preliminary proposals from research agencies outlining the scope of such a survey and suggesting how it should be conducted.

In addition to the study which we hope to have undertaken by a research group, it appears that the Bureau of the Census could play a most significant role in collecting data on refugees as a part of its current population survey.

The Subcommittee on Refugees proposes to seek the support of private organizations and foundations at least in the pilot aspects of this survey. If it appears justified we may, at a later date, come to the Senate with a request for such funds as may be needed by the Bureau of Census if a specialized survey and questionnaire by that agency appears to be necessary, or if available private funds are inadequate to finance all aspects of the study.

For the coming fiscal year, Congress will appropriate in the neighborhood of \$100 million for refugee programs. About one-fifth of this amount will be for the support of international refugee organizations and for our direct programs of refugee relief abroad. About \$70 million will be appropriated for the Cuban refugee program in the United States. Additional millions will be expended in the form of surplus food to be distributed under Public Law 480.

We have considerable information on the refugees abroad who are receiving aid under these various programs. But of the former refugees, many of whom are now American citizens, we know little.

Since the end of World War II, the United States has provided a haven for over three-quarters of a million refugees. The great majority of them have been admitted under special acts of Congress rather than under our general immigration laws. Beginning with the enactment of the Displaced Persons Act of 1948, Congress has passed at least 10 measures to facilitate the immigration of persons who had fled from their native lands and were unable to return to

them without peril of persecution because of their political or religious beliefs.

Our motives in welcoming these people to our shores have been several. Among them is a humanitarian concern for people in distress. We were concerned also with assisting friendly nations who were the countries of original asylum for large refugee populations which they were unable to absorb or to care for.

We admitted refugees as a part of our obligations as the leading Nation of the free world. Last, but certainly not least, was the fact that many of the refugees were relatives of Americans and most appropriately, we took action to reunite families which had been separated by the inexorable course of tragic world events.

It is my hope that the Subcommittee on Refugees will be able to join private and governmental efforts to produce a comprehensive study of the adjustment of these refugees to life in America. We will strive to sponsor a study which will be as objective as is humanly possible and which will produce information of direct value to the Senate and the Nation in our future consideration of refugee problems.

**THE 100TH ANNIVERSARY OF THE  
COLORADO OIL INDUSTRY**

Mr. ALLOTT. Mr. President, I have just received a copy of the Pioneer Days edition of the Florence Citizen, a newspaper published at Florence, Colo. The special edition was prepared for the dual celebration marking the 100th anniversary of the Colorado oil industry and the 75th anniversary of Florence as an incorporated city. As one would expect, this special edition is filled with stories and pictures dealing with the early days of the area. Florence itself is in the heart of Fremont County where oil was first discovered in Colorado. Fremont County was the second oil-producing area in the country, and a discovery well 6 miles north of Florence followed Colonel Drake's Titusville, Pa., well.

The city of Florence and Fremont County are also important for the contributions of their citizens in the development of other minerals as well. Foremost among these would be the top-quality coal which was mined from the time the first claim was staked in 1860.

This colorful edition carries a host of pictures showing the early days in the community—the businesses and the people; none of which, unfortunately, can be reproduced here in the RECORD. However, there are several stories which are characteristic of and give the flavor of the edition. I ask unanimous consent that they be printed at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

**FAMED BRIDGE IS ENGINEERING MASTERPIECE**

One of the engineering marvels of all time is the Hanging Bridge, built at the narrowest part of the Royal Gorge of the Arkansas River by the Denver & Rio Grande Railroad. The bridge was built in 1879, and was designed by C. Shaler Smith. The iron bridge

was hung from the solid granite walls so that the railroad track might be laid above the dashing stream at the point where the walls narrowed so there was insufficient space for the track to parallel the river. At the Hanging Bridge, and some other portions of the gorge, railroad men, tools, mules, and carts were let down the 1,200-foot walls on ropes during construction of the track.

The early weeks of 1879 featured the historic war between the Santa Fe and Rio Grande Railroads for possession of the Royal Gorge. Armed guards protected workmen of both railroads. There were several gun battles, but fortunately no one was killed. The answer probably is due to the fact that the gunmen were friends and did not intend to kill each other. They changed sides in accordance with the pay offered. Bat Masterson and Doc Holiday, who had been chief gunmen for the Santa Fe, changed loyalty to the Rio Grande when the pay was hiked.

**A. M. CASSIDY'S FAITH BROUGHT OIL BOOM**

One man's dogged determination and enduring belief in the prospects of Fremont County's oil resources launched the petroleum industry in the West.

He was A. M. Cassidy, a pioneer who made the trek to Colorado Territory shortly after the discovery of gold in 1859 started the rush to the Rockies. If he had any ambition for gold it was promptly side-tracked on the banks of a shallow creek 6 miles north of the struggling Canyon City in the south-central part of the Territory.

It is this pioneer oilman's achievements which make 1962 the centennial year of the State's petroleum industry.

Cassidy arrived in the West from Pennsylvania where the first U.S. oil production was started when Edwin L. Drake's drilling struck oil in 1859—the same year miners and would-be miners began pouring into Colorado Territory.

With the memory of Pennsylvania's oil discoveries fresh in mind Cassidy noted similarity of the territorial oil seep to that near which Drake had located his drilling rig.

Both of the distantly located spots had oil seeps on the edge of small streams. Locating a well by this rough process became known as "creekology." Both the spots were commonly known to natives. The territorial seep was even reported in Lt. Zebulon Pike's journal recording his trip through the area in 1806.

But it remained for such men as Cassidy in Colorado and Drake in Pennsylvania to transform such seeps into the realization of oil production.

Even with his brief experience in oil production to rely on Cassidy's achievement must stand as a monument to determination and self-reliance.

His drill site was halfway across the Nation from the proper equipment and skilled manpower necessary to undertake such a project. A wagon train trip of 600 miles west of the Missouri River terminated the long trip from the East. This link was jeopardized by Indian attack and the effects of the Civil War.

Prices in Fremont County were high: flour \$25 per sack; sugar 75 cents per pound; and canned fruits from \$1 to \$1.50 per can.

Despite these handicaps, Cassidy was determined to find oil in the Fremont area—a determination that never left him during the next 25 years.

His first well supported his judgment. The oil was there, but only in sufficient quantity to make it of historical significance—one barrel per day. Five additional tests were drilled, some of them as deep as 500 feet, but production was limited to the shallow level.

With these marginal producers as a source of crude, Cassidy erected a primitive refinery





# Digest of CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued Oct. 2, 1962  
For actions of Oct. 1, 1962  
87th-2d, No. 178

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HIGHLIGHTS: For highlights see page No. 8.

## SENATE

1. AGRICULTURE AND FORESTRY COMMITTEE reported the following bills: p. 20245  
S. 3756, without amendment, to amend Sec. 309 of the Food and Agriculture Act of 1962 so as to provide that a farm marketing quota on the 1963 wheat crop shall be applicable to any farm on which acreage of wheat exceeds the smaller of 15 acres or the highest number of acres planted to wheat on the farm in calendar years 1959, 1960, 1961, or 1963 (instead of 1959, 1960, or 1961) (S. Rept. 2224).
- H. R. 12653, without amendment, to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase from \$150 million to \$200 million annually the amount of loans which may be insured under the Act (S. Rept. 2220).
- H. R. 10708, with amendment, to amend the Rural Electrification Act with respect to financing communication facilities for transmission of sounds, signals, pictures, writing, and signs, as well as voice (S. Rept. 2221).

- H. R. 12855, without amendment, to amend provisions of the Agricultural Adjustment Act of 1938 providing for the lease and transfer of tobacco acreage allotment so as to exclude cigar-filler and cigar-binder tobacco, types 42, 43, 44, 53, 54, and 55 from the lease and transfer authority (S. Rep. 2222).
- H. R. 946, without amendment, to extend to oyster planters the benefits of the provisions of present law which provide for production disaster loans for farmers and stockmen (S. Rept. 2219).
- S. 3370, with amendment, to authorize the Secretary of Agriculture to relinquish to Wyo. jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District (S. Rept. 2223).
2. APPROPRIATIONS; BUDGET. Received from the President supplemental appropriations for fiscal year 1963 for this Department (S. Doc. 152) (p. 20245). Attached to this Digest is a summary of the items pertaining to this Department.
3. PUBLIC WORKS APPROPRIATION BILL, 1963. Passed with amendments this bill, H.R. 12900. Conferees were appointed. pp. 20239-45
4. FARM PROGRAM. Sen. Humphrey criticized charges of the Republican National Committee against the Food and Agriculture Act of 1962 as "a deliberate and reckless attempt to turn farmers against consumers and city dwellers against rural America," and defended the Act against these charges. Sen. Kuchel defended the charges and contended that the farm bill had merited defeat. pp. 20335-6  
Sen. Kuchel inserted an editorial critical of the farm program and relating experiences of Sen. Anderson in conducting farm operations under the program. p. 20336
5. WORLD FOOD CONGRESS. The "Daily Digest" states that the Foreign Relations Committee approved with amendment S. 3679, to authorize funds to enable the U. S. to extend an invitation to the Food and Agricultural Organization of the U. N. to hold a World Food Congress in the U. S. in 1963. p. D917
6. WATERSHEDS. The Agriculture and Forestry Committee approved the following watershed projects: Crooked Bayou, Ark.; West Fork Pond River, Ky., and Hardin Creek and Mill Creek, Tenn. p. D916
7. PUBLIC WORKS. The Public Works Committee reported without amendment (an original bill) S. 3773, the public works authorization bill (S. Rept. 2258), p. 20246
8. FOREIGN AID APPROPRIATION BILL, 1963. Began debate on this bill, H. R. 13175 (pp. 20248, 20260-2, 20270-92, 20298-329). By a vote of 34 to 40, rejected an amendment by Sen. Ellender to reduce by \$200 million the amounts for development loans and economic assistance (pp. 20314-9).
9. STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 12580 (S. Rept. 2226). p. 20245
10. STATISTICS. The Post Office and Civil Service Committee reported without amendment H. R. 7791, to provide for the collection and publication of foreign commerce and trade statistics (S. Rept. 2217). p. 20245

**NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963**

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, the following amendment; namely, on page 41, following line 22, to insert:

"Sec. 304. The Bureau of Budget shall provide the Congress, in connection with the budget presentation for fiscal year 1964 and each succeeding year thereafter, a horizontal budget showing (a) the totality of the programs for meteorology, (b) the specific aspects of the program and funding assigned to each agency, and (c) the estimated goals and financial requirements."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him to House bill 12580, making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McCLELLAN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, the following amendment; namely: On page 4, after line 6, insert the following:

**"OPERATION AND MAINTENANCE OF BUILDINGS ABROAD**

"For necessary expenses of maintenance, operation, repair, and payment of leaseholds of properties acquired pursuant to the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 292—300); including personal services in the United States and abroad; salaries, expenses and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$11,000,000, of which not less than \$7,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States, to remain available until expended: Provided, That not to exceed \$1,323,000 may be used for administrative expenses during the current fiscal year."

Mr. McCLELLAN also submitted an amendment, intended to be proposed by him to House bill 12580, making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

**AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO THE INCOME TAX TREATMENT OF SMALL BUSINESS INVESTMENT COMPANIES—ADDITIONAL CO-SPONSORS OF BILL**

Under authority of the orders of the Senate of September 20, and 26, 1962, the names of Senators ENGLE, COOPER, SCOTT, PROUTY, WILLIAMS of New Jersey, JAVITS, and MOSS were added as cosponsors of the bill (S. 3736) to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of small business investment companies, introduced by Mr. SPARKMAN (for himself and other Senators) on September 20, 1962.

**SMALL BUSINESS INVESTMENT ACT AMENDMENTS OF 1962—ADDITIONAL COSPONSORS OF BILL**

Under authority of the orders of the Senate of September 20, and 26, 1962, the names of Senators ENGLE, COOPER, SCOTT, PROUTY, WILLIAMS of New Jersey, JAVITS, and MOSS were added as cosponsors of the bill (S. 3737) to amend the Small Business Investment Act of 1958, introduced by Mr. SPARKMAN (for himself and other Senators) on September 20, 1962.

**MESSAGE FROM THE HOUSE**

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolutions of the Senate:

S. 699. An act to amend the act entitled "An act to incorporate the Hungarian Reformed Federation of America," approved March 2, 1907, and for other purposes;

S. 3120. An act to amend section 6 of the act of May 29, 1884;

S. 3152. An act to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program;

S. 3156. An act to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes;

S. 3431. An act to consent to the amendment of the Pacific marine fisheries compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment;

S.J. Res. 211. Joint resolution providing for the establishment of an annual National School Lunch Week; and

S.J. Res. 228. Joint resolution authorizing the issuance of a gold medal to General of the Army Douglas MacArthur.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 53) favoring air travel by legislative and Government officers and employees on U.S.-flag air carriers.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 11049. An act to amend the Mineral Leasing Act of February 25, 1920; and

H.R. 11590. An act to provide for the disposition of judgment funds of the Cherokee Nation or Tribe of Indians of Oklahoma.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11586) to amend section 502 of the Merchant Marine Act, 1936, as amended; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BONNER, Mr. DOWNING, Mr. CASEY, Mr. MAILLARD, and Mr. PELLY were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. POWELL, Mr. BAILEY, Mr. BRADEMAS, Mr. O'HARA of Michigan, Mr. KEARNS, Mr. FREILINGHUYSEN, and Mr. QUIE were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 12276) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1963, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. NATCHER, Mr. SANTANGELO, Mr. CANNON, Mr. RHODES of Arizona, and Mr. TABER were appointed managers on the part of the House at the conference.

**ENROLLED BILLS AND JOINT RESOLUTION SIGNED**

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Acting President pro tempore:

S. 1060. An act to authorize the Secretary of Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanagan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes;

S. 3089. An act to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands;

S. 3408. An act to establish in the Library of Congress, a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons;

H.R. 5423. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes; and

H.J. Res. 693. Joint resolution granting the consent and approval of Congress for the State of Maryland, the Commonwealth of Virginia, and the District of Columbia to amend the Washington Metropolitan Area

Transit Regulation Compact, and for other purposes.

#### ADDRESSES, EDITORIALS, ARTICLES ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. WILEY:

Editorial entitled "On Spending Ourselves Into More Jobs," published in the LaCrosse (Wis.) Tribune.

Excerpts from address delivered by him over Wisconsin radio stations on weekend of September 29-30, 1962; and supplemental statement.

By Mr. HUMPHREY:

Article entitled "Representative JOHN Moss Fights To Let Public Know What's Going on," by Alan S. Emory, published in the Watertown (N.Y.) Daily Times, September 11, 1962.

By Mr. YOUNG of North Dakota:

Editorial entitled "Let's Face Reality," published in the New Rockford (N. Dak.) Transcript of September 19, 1962.

By Mr. MORSE:

A petition, signed by Myrtle Peebles, secretary-treasurer of the West Lane Social Security Clubs of America, Inc., Club No. 26, and sundry other persons, favoring the passage of the medical care bill.

A petition, signed by A. T. Kirkpatrick, and sundry other citizens in the State of California, relating to the communications satellite system.

By Mr. LAUSCHE:

Editorial entitled "No Matter How Many Doubts, Foreign Aid Goes On and on," written by Mr. John S. Knight, editor, and published in the Akron (Ohio) Beacon Journal on September 23, 1962.

By Mr. SMATHERS:

Editorial entitled "Martin Project Aims at Perfection," published in the Orlando (Fla.) Evening Star on September 25, 1962.

#### AMENDMENT OF SECTION 502 OF MERCHANT MARINE ACT, 1936, AS AMENDED

The ACTING PRESIDENT pro tempore. The Chair announces the appointment of the Senator from California [Mr. ENGLE], the Senator from Alaska [Mr. BARTLETT], and the Senator from Maryland [Mr. BUTLER] as conferees on the part of the Senate on the bill (H.R. 11586) to amend section 505 of the Merchant Marine Act of 1936, as amended, which had previously been passed by the Senate.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, under the unanimous-consent agreement previously entered, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2140, H.R. 13175.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with amendments.

#### ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of two measures on the calendar to which there is no objection.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

#### EXCHANGE OF LANDS BETWEEN UNITED STATES AND SOUTHERN UTE INDIAN TRIBE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 2136, Senate bill 3713, providing for an exchange of lands between the United States and the Southern Ute Indian Tribe.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3713) to provide for an exchange of lands between the United States and the Southern Ute Indian Tribe, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 6, line 8, after the word "Tribal", to strike out "Council, and the tribe and its assigns shall have the right to utilize for recreational development the parts of such lands that are in sections 9, 10, 15, and 16, township 32 north, range 5 west, New Mexico principal meridian, Colorado, provided such recreational development does not interfere with the construction, operation, and maintenance of the Navajo Dam and Reservoir or appurtenant structures." and insert "Council"; so as to make the bill read:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby transferred to the United States all of the right, title, and interest of the Southern Ute Indian Tribe in the following lands, which are needed for the Navajo Dam and Reservoir project, except the minerals therein and the right to prospect for and remove them in a manner that does not impair the project, as prescribed by the Secretary of the Interior:*

NEW MEXICO PRINCIPAL MERIDIAN, COLORADO  
TOWNSHIP 32 NORTH, RANGE 4, WEST

Section 16: West half northwest quarter southwest quarter, southwest quarter, northwest quarter southwest quarter southwest quarter southwest quarter.

Section 17: South half south half northwest quarter southeast quarter, north half southwest quarter southwest quarter, north half south half southwest quarter southwest quarter.

Section 18: North half northwest quarter southwest quarter, northeast quarter south-

east quarter northwest quarter southwest quarter, north half southeast quarter southeast quarter, north half south half southeast quarter southwest quarter, north half northwest quarter southwest quarter, north half northeast quarter southeast quarter southwest quarter.

#### TOWNSHIP 32 NORTH, RANGE 5 WEST

Section 5: Southeast quarter northeast quarter southeast quarter northwest quarter, east half southeast quarter southeast quarter northwest quarter.

Section 9: West half, east half southeast quarter southeast quarter, west half southeast quarter southeast quarter, southwest quarter southeast quarter, southeast quarter southeast quarter southeast quarter southeast quarter.

Section 10: Southeast quarter southeast quarter, southwest quarter southeast quarter, northeast quarter, southeast quarter northeast quarter southeast quarter, south half southwest quarter southeast quarter southwest quarter, northeast quarter southwest quarter southeast quarter southwest quarter, southeast quarter southeast quarter southwest quarter southwest quarter.

Section 11: South half south half northwest quarter southwest quarter northwest quarter southwest quarter, south half southwest quarter northeast quarter southwest quarter.

Section 12: Southeast quarter southwest quarter southwest quarter southwest quarter, south half southeast quarter southwest quarter southwest quarter, south half southwest quarter southwest quarter.

Section 13: Northeast quarter northeast quarter southwest quarter, north half northwest quarter southeast quarter, north half northeast quarter southeast quarter.

Section 14: North half north half northeast quarter southwest quarter, north half northeast quarter northwest quarter southwest quarter, north half northwest quarter southeast quarter.

Section 15: West half northwest quarter northeast quarter southeast quarter, west half northeast quarter, northwest quarter southeast quarter, north half north half southwest quarter southeast quarter.

Section 16: Northeast quarter.

Containing 707.5 acres, more or less.

(b) In exchange for such conveyance, the Secretary of the Interior is authorized to transfer to the United States in trust for the Southern Ute Indian Tribe, subject to valid existing rights, public lands on the Archuleta Mesa, reserving to the United States the minerals therein and the right to prospect for and remove them under regulations of the Secretary of the Interior, that are contiguous to the present eastern boundary of the Southern Ute Indian Reservation, and that have a value equal to or not materially greater than the value of the lands conveyed by the tribe, such values to be determined by the Secretary: Provided, That such public lands shall be selected in a manner that will not increase the Government's management problem for other public lands, the selection shall be approved by the Southern Ute Indian Tribe, and the Southern Ute Indian Tribe shall pay to the United States any difference in the values of the lands exchanged.

(c) The owners of the range improvements of a permanent nature placed, under the authority of a permit from or agreement with the United States, on the public lands conveyed to the tribe shall be compensated for the reasonable value of such improve-

here on July 7, 1890, and on November 16, 1890, admitted as assembly 23 of the National Slovak Society with 23 members. The first meeting was held in the home of Stephen Salasovic, 91 Springfield Avenue. Their first amateur Slovak play, "Pater Peter," was given on November 2, 1890. The following were its first officers: Ferdinand Mascuch, president; Frank Dzadazan, vice president; Joseph Martinka, recording secretary; Stephen Salasovic, financial secretary; John Hurej, treasurer; John Richter, auditor; John Tkach, marshal; John Varga, sergeant at arms; John Argalas, Max Martinka, and Ladislaus Jennik, financial committee.

But it was the St. John the Baptist Slovak Catholic Society, founded on April 12, 1891, which gave the impetus to the founding of St. Stephen's parish. This society became branch 58 of the First Catholic Slovak Union of the U.S.A. and Canada and was the first to donate \$500 for the new parish.

The Slovak Catholics, although in greater number than the Slovak Lutherans, since over 85 percent of the population of Slovakia is still Catholic founded their parish in Newark much later than their Lutheran countrymen. This, however, encouraged them to establish and build their own church. In passing we wish to establish the fact that the Slovak Lutheran Church of Holy Trinity was founded in Newark, N.J., on June 3, 1893. Its pastor for over 40 years was the well-known fraternalist, Rev. Ludevit Novomesky, who is closely associated with the history of the first Slovak organization in America, the National Slovak Society. Reverend Novomesky labored in Newark for over 40 years. His wife, Mrs. Pauline Novomesky was a well-known leader among women and was the supreme president of Zivena (Goddess of Life), oldest Slovak women's organization in America, founded in 1891. Reverend Novomesky was assisted for some 15 years in his parish by Rev. Dr. Gustave Cernansky. The present pastor is Rev. Paul Baranek, a native of downtown New York.

The Slovak Lutherans formed about 33 years ago another parish "Sion," of which Rev. William Hinlicky is present pastor.

The Greek Catholics of Byzantine rite also formed their parish of St. George close to a half century ago.

#### FIRST PARISH MEETING

But the Slovak Catholics started their organization work on May 6, 1900. John Merjavi, temporary treasurer, presided. It was decided to establish the Parish Society of St. John the Baptist. The following first officers were elected: Joseph Shefcik, president; George Zbojan, vice president; Albert Suchy, financial secretary; Frank Belanovich, recording secretary; and John Alexovic, treasurer.

According to Gabriel Lantos, zealous worker of the parish, who compiled the data for the Slovak Souvenir Journal on this 60th anniversary, their first collection amounted to \$9.75 and the expenses were \$10.63. But they had faith, hope and charity and elected a committee to seek a place of worship and a possible building, which they could purchase for a church.

This committee consisted of the following pioneers: I. Kriger, Sternen Zeleny, Jr., John Hurej, M. Dancak, M. Druzbecki and Andrew Havran.

On the second meeting, May 20, 1900, it was decided to send a committee to the Most Reverend Winand Wigger, D.D., then the bishop of Newark, for his counsel and permission: J. Skurkaj, J. Merjavi, John Alexovic and M. Dancak called on the bishop, who soon after came personally to their third meeting to encourage them in their work and give them necessary assistance. They have formally petitioned the bishop to give them permission and blessing for their work, which he granted with fatherly counsel and encouragement. However, the bishop ad-

vised them that inasmuch as there was already another St. John the Baptist parish in the city of Newark, that they choose another patron saint. Some have suggested SS. Cyril and Methodius. But the majority selected St. Stephen, Proto-Martyr. They continued in their work and on July 1, 1900, the bylaws of the parish sent to them by Bishop Wigger were read and translated into the Slovak language. The parish was incorporated and Ferdinand Mascuch and Albert Suchy were elected first lay trustees.

#### MRS. FRANK BELANOVICH, FIRST WOMAN WORKER

Mr. Lantos relates that according to the minutes of the eighth meeting, held on September 2, 1900, the name of a first woman parishioner was prominently mentioned. She was Mrs. Frank Belanovich, who has raised the largest sum of money for the parish, exceeding all the men collectors, for which she received praise and the men voted to present her with a gift.

#### FIRST TEMPORARY PASTOR AND SUCCEEDING PASTORS

It was only at the 14th meeting, held on February 3, 1901, that the name of Father Shodek, first temporary pastor, was mentioned. Here it was decided that they hold masses Sunday and holy days in the St. Mary's (German Parish Hall). Monsignor Romana recalls that as a boy, that he attended masses with his parents at the St. Mary's Hall and Father Polycarp, a German priest, who spoke Slavonic languages, is remembered as the first benefactor and patron of the Slovaks. The first mass was celebrated there on Sunday, February 10, 1901. But several meetings later Rev. Emmanuel Zdenek is mentioned as a priest, who also served the new parish. He remained with the young parish and was given a vote of confidence and full support at several meetings.

The records show that Father Julius Szabo served the parish from January 5, 1902. It was during his pastorate that lots were bought on Bruce Street and the final incorporation of the parish completed. On June 1, 1902, it was announced that the financial arrangements were completed to erect a new church in the sum of \$30,000. But Father Szabo left the parish and Father Paul Viragh was administrator for a brief period. The blessing of a cornerstone was a great event. But even greater was the blessing of a new church. The new pastor, Father Joseph Pospech, a well-known Slovak, became pastor on November 3, 1902, and in a brief time completed the building of a church for a dedication celebration on Sunday, December 14, 1902. Most Rev. John J. O'Connor, new bishop of the Newark diocese, blessed the edifice with a large attendance of Slovak priests. Rev. Matthew Jankola, from Hazleton, Pa., founder of the Slovak religious congregation of the Sisters of Saints Cyril and Methodius and Rev. John Stas, well-known writer and organizer of Slovak youth from Olyphant, Pa., attended the blessing ceremonies, which caused great joy among the Slovaks.

After the departure of Father Pospech, Father Charles Weisser assumed pastorate on January 14, 1906, and remained with the parish until his death on November 12, 1920.

After his death, Father F. Denes, Father William Biskorovany, later of Guttenberg, N.J., and Father John Miklus were administrators of the parish.

On December 19, 1920, Father Anton Gracik, well-known linguist became pastor. Father Gracik was editor of the Good Shepherd, official organ of the Slovak Catholic Federation of America and was the federation's representative to Slovakia after World War I, to aid the persecuted priests. He was also the president of the Slovak Catholic Federation a half century ago. He also published Ave Maria, a Slovak religious monthly after the death of Rev. Gaspar J. Panik.

During his pastorate the parish was visited by four bishops of Slovakia in 1926, namely, Marian Blaha, Jan Vojtassak, Paul Jantausch, and Joseph Carsky, and also the well-known champion of Slovak freedom, Msgr. Andrew Hlinka. It is to be noted that Bishop Vojtassak, now imprisoned by the Communists, was a schoolmate of Father Gracik and Bishop Jantausch's brother lived in Newark, where his family still resides. It is to be also noted that Gen. Milan R. Stefanik, well-known Slovak scientist and liberator, also visited Newark on two occasions, for his brother resided here.

Father Gracik retired in 1955 and died near Allentown, Pa., on October 6, 1956.

After his death Father John F. Pagash was named pastor, but he served only a brief period of time. Father Clement A. Ockay, dean of studies at Seton Hall University and Father Michael S. Simko served as administrators until May 1960, when Archbishop Boland appointed Father Senderak as pastor.

The following priests served as curates of St. Stephen's Parish: Rev. John F. Pagash, Rev. Michael E. Komar, Rev. Michael A. Hudak, Rev. Thomas A. Onacilla, Rev. Michael S. Simko, and Rev. George Senderak.

The present pastor, Father Senderak is a native of Bridgeport, Conn. He was ordained to the priesthood by the late Archbishop Thomas Walsh on May 5, 1945. He served as curate at St. Catherine's Parish, Hillside, N.J.; St. Joseph's, Bayonne, N.J., when the late Msgr. Andrew L. Adzina was pastor; then for 7½ years as assistant to Father Gracik in Newark and 4 years as assistant to the late Msgr. Emery A. Haitinger and after his death, administrator of St. Joseph's Parish in Elizabeth, N.J.

The parish has many church and fraternal societies. The society of St. Ann, Branch 234 of the First Catholic Slovak Union was founded in October 1906. The Leaf 31, of the First Slovak Wreath of the Free Eagle in 1907.

Assembly 76, Society of St. George, Slovak Catholic Sokol, was founded on October 10, 1910, and Wreath 37 on February 1, 1912. The Newark Slovak Catholic Sokols gave the organization its third supreme president, the late Gustave Kosik and Mrs. M. Kardos Skiba was supreme vice president.

The Newark Slovaks also have the National Sokol Hall on Morris Avenue, and many fraternal societies of various national organizations.

In 1904, Father Pospech organized the Educational Circle of SS. Cyril and Methodius which gave many Slovak plays. In 1917, Assembly 330 of the Slovak League of America was organized, and 2 years later the chapter of the Slovak Catholic Federation of America was founded.

On October 8, 1924, the National Council of Catholic Women, known as the Society of St. Theresa, was founded. Also the Holy Name Society. This society took part for the first time in the Holy Name parade way back in 1912.

Also, Catholic War Veterans, St. Stephen's Memorial Post No. 1541, and its ladies' auxiliary and other societies. Pfc. Joseph J. Horvath Post 8624, Veterans of Foreign Wars, has its headquarters in the Sokol Hall.

In conclusion, the name of the late Peter Baran and his two sons, Vladimir Peter and Milan, deserve mention for they excelled as manufacturers of the worldwide alligator leather. The factory is maintained by his daughter, Mrs. Olga Baran Clancy.

John J. Mascuch, president of Breeze Corp. and Victory Engineering Co., at Union, N.J., is the son of the late Ferdinand Mascuch, first parish lay trustee and first president of the first Slovak social in Newark, N.J.

Last, but not least, William Stibavy, the parish son, whose parents reside here, should be mentioned. Mr. and Mrs. Charles Stibavy were married at St. Stephen's on November 5, 1911, and celebrated last year

their golden jubilee. Mr. William Stibray is a career diplomat, associated with the U.S. Department of State for over 15 years, who was delegated to represent our Government on many important missions to various countries and to the General Assembly of the United Nations.

There are many other sons and daughters of the parish, who have made good in various professions and who look upon St. Stephen's with pride, and joined the parishioners and friends in celebrating this 60th anniversary at a banquet after Solemn Mass, and wish it continued success, in which we join them with the proverbial: Ad multos annos.

#### EXTENSION OF 1 YEAR OF GRANTING OF NATIONAL SERVICE LIFE INSURANCE TO CERTAIN VETERANS

Mr. BYRD of Virginia. Mr. President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives in respect to S. 3597.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3597) to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance, which was, to strike out all after the enacting clause and insert:

That subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following new section:

#### "§ 725. LIMITED PERIOD FOR ACQUIRING INSURANCE BY SERVICE-CONNECTED DISABLED

"(a) Any person heretofore eligible to apply for national service life insurance after October 7, 1940, and before January 1, 1957, who is in good health except for a service-connected disability which renders him uninsurable according to the standards of good health established by the Administrator shall, upon application in writing made within one year after the effective date of this section, submission of evidence satisfactory to the Administrator that but for service-connected disabilities he is in good health at the time of such application, and payment of the required premiums, be granted insurance other than on the five-year level premium term plan under the same terms and conditions as are contained in standard policies of national service life insurance except (1) the insurance and any total disability income provision attached thereto shall be on a nonparticipating basis; (2) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949 and interest at the rate of 3 per centum per annum; (3) the insurance shall include such other changes in terms and conditions as the Administrator determines to be reasonable and practicable; (4) all premiums and other collections on the insurance and any total disability income provision attached thereto shall be credited directly to the national service life insurance appropriation and any payments on such insurance and total disability income provision attached thereto shall be made directly from such appropriation. Appropriations necessary to carry out the provisions of this section are hereby authorized.

"(b) No insurance shall be granted under this section to any person referred to in section 107 of this title or to any person while on active duty under a call or order to active duty for a period of thirty-one days or more."

Sec. 2. The amendments made by this Act shall take effect as of the first day of the

seventh calendar month which begins after the date of enactment of this Act.

Sec. 3. The analysis of subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following:

"725. Limited period for acquiring insurance by service-connected disabled."

Mr. BYRD of Virginia. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives and request a conference with the House thereon; and that the Presiding Officer appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. WILLIAMS of Delaware, and Mr. CARLSON conferees on the part of the Senate.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATION BILL, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

The ACTING PRESIDENT pro tempore. The first committee amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 5, after the numerals "212", it is proposed to strike out "\$225,000,000" and to insert "\$275,000,000."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the first committee amendment.

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

Mr. PROXIMIRE. Mr. President, I yield to the chairman of the committee.

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized.

Mr. HAYDEN. Mr. President, the foreign aid and related agencies appropriation bill for fiscal year 1963, H.R. 13175, includes appropriations for the Agency for International Development, the Export-Import Bank, the Inter-American Development Bank, the International Monetary Fund, and the Peace Corps.

The administration requested an appropriation of \$7,335,029,000. The bill as it passed the House provided \$5,956,852,000. Our committee, after careful consideration, has recommended a total of \$6,781,402,000, an increase of \$824,550,000 over the House version. This is \$533,627,000 less than the administration requested.

For the foreign aid program alone, the committee recommends \$4,422,800,000. This is \$538,500,000 less than the budget estimate of \$4,931 million. It is also a net reduction of \$91,800,000 in the amount appropriated last year for foreign aid.

The committee heard testimony from Secretary Rusk, Secretary McNamara, General Lemnitzer, and General Max-

well Taylor emphasizing the importance of foreign aid for our foreign policy and our defense. It was reported to the committee that drastic reductions in the program would be unwise at a time when Communist pressure on Berlin is increasing, the Cuban situation is deteriorating, and the war in Vietnam is reaching a crucial phase.

The committee also examined the increase in funds which have been committed and not expended. This is a matter which should be carefully reviewed by the administration of the program, but it is not a reason for reducing appropriations for the program. Most of the increase occurred because of the shift from grants to loans, which the committee has supported.

For Development Loans, the committee recommends \$1,125 million, compared to the estimate of \$1,250 million. This is \$300 million more than was allowed by the House. The committee is pleased by the continued shift from grants to dollar-repayable loans, and hopes that this trend will be accelerated.

For supporting assistance, the committee recommends \$400 million, compared to the estimate of \$481.5 million and \$350 million allowed by the House.

The committee recommends \$575 million for the Alliance for Progress. This is \$25 million under the budget estimate and \$50 million over the House bill.

For development grants, the committee recommends \$275 million, which is an increase of \$50 million over the House allowance and \$60 million below the estimate.

The committee recommends \$290 million for the contingency fund, compared to the estimate of \$400 million and the \$225 million allowed by the House.

For military assistance, the committee recommends \$1,450 million, which is \$50 million less than requested, and \$150 million more than the House allowed.

The committee recommends \$52 million for administration compared to the estimate of \$55 million and \$46 million allowed by the House.

For the Peace Corps, the committee recommends the full estimate of \$63,750,000, an increase of \$11,750,000 over the House figure.

The committee concurs in the House allowance of the full estimate of \$60 million for the Inter-American Development Bank.

The committee concurs also in the House allowance of the full request of \$61,656 million for the International Development Association.

The committee concurs with the House allowance of \$2 billion for the International Monetary Fund.

For the Ryukyu Islands, the committee recommends \$12 million, compared with the estimate of \$14,282 million and \$7.9 million allowed by the House.

The committee amended the House bill in several respects, as stated in the report.

With respect to the provision of the House bill concerning aid to countries whose vessels trade with Cuba, the committee recommends a new provision. Section 107(a) of the bill, as reported, brings the matter squarely under the Bat-

tle Act, for Presidential discretion in waiving the provision if it would be contrary to the national interest.

On aid to Communist countries, the committee substituted for House language identical language of the authorization bill passed earlier in the session.

The committee has made these changes and recommendations after careful study of the bill and the requests in light of the world situation. This is an important bill, which will provide the means to conduct these vital programs. Those means must be adequate in order for us to continue waging an effective fight for freedom, justice, and progress.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill, as thus amended, be regarded as original text for the purpose of amendment; provided, that no point of order shall be considered to have been waived by reason thereof.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. PROXMIRE. Mr. President, reserving the right to object—

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin reserves the right to object.

Mr. PROXMIRE. Mr. President, I shall object to the request of the Senator from Arizona with great reluctance. Acting on the committee amendments in the way I shall propose would be by far the most efficient way to put the issue before the Senate. I shall propose that we consider en bloc certain changes made by the Appropriations Committee. I shall propose that virtually all the increases which the Senate made over the House figures be handled en bloc and be voted on en bloc, and that the provision relating to presidential discretion in cutting off aid to those countries which are assisting in trade with Cuba be treated separately and be voted on separately, and that the discretionary provision which is eliminated by the Appropriations Committee, relating to Yugoslavia, Poland and other Communist countries also be voted on separately.

I recognize the very hard, diligent and good work which the Appropriations Committee has done on this subject. But I believe the real issue before the Senate should be whether the Senate feels that these very significant changes in the appropriation measures should be made. I do not like to see the amendments agreed to in the manner suggested by unanimous consent, when, in an efficient and orderly manner, we can discuss each of the three issues in separate votes: First, the cuts in general; second, the Cuban issue; third, the Yugoslavia and Poland aid issue. For that reason, Mr. President, I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. HAYDEN. Mr. President, will the Senator make his request?

Mr. PROXMIRE. Very well, Mr. President, I make the following proposal: That all amendments made by the committee in the House bill be agreed to en bloc with the following exceptions:

On page 2, line 2, the amendment involved at that point.

Page 2, line 13; page 3, line 6; page 3, line 8; page 3, lines 9 to 17; page 3, line 19; page 4, line 11; and then these further amendments: Page 7, line 3, to page 9, line 6; and finally on page 9, line 23; page 11, line 6.

I am perfectly willing to have the remaining amendments submitted by the Committee on Appropriations considered en bloc, with the same reservation which the chairman of the committee proposed, that the bill as thus amended be considered as original text and be subject to further amendment. I believe that procedure was followed in connection with the tax bill earlier this year.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ELLENDER. Will the Senator be a little more specific as to the effect of the unanimous-consent agreement for which he is asking?

Mr. PROXMIRE. Yes, indeed.

Mr. ELLENDER. I could not follow the Senator as he referred to the bill and the pages therein.

Mr. PROXMIRE. The unanimous-consent request of the Senator from Wisconsin is that the bill be handled in somewhat the same way in which the tax bill was handled. In other words, committee amendments would be acted upon, and after action, the bill would still be open to amendment by any Senator.

For example, if the Senator from Louisiana wished to strike out increases proposed by the Senate Committee on Appropriations for Military Assistance, such an amendment would be in order.

That is what the Senator from Wisconsin has in mind.

Mr. ELLENDER. Would the unanimous-consent request pertain to all increases or decreases made by the House as to appropriations?

Mr. PROXMIRE. It would pertain to all of them except for the \$7 million appropriation which involves administration costs. I have studied that item and feel that, from my own standpoint, there is no ground for objection. I would favor the proposed increases in administrative costs. That would cover, I would say, 95 or 96 percent of all the increases made by the Senate over the House bill.

Mr. ELLENDER. If the unanimous-consent request is agreed to, then all items would be subject to amendment.

Mr. PROXMIRE. The Senator is correct.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HAYDEN. Frankly, I cannot see what would be gained by such action, because the bill would be open for amendment in any event.

Mr. PROXMIRE. There are several reasons for following the proposed procedure. Of course, the principal reason is that in connection with the tax bill we found that there might be action on the part of the leadership to table any amendment proposed. After

all, we are coming close to the end of the session. The leadership has every right to make such a motion and there is precedent for doing so. If we act in the manner proposed, the amendment could not be tabled.

An affirmative vote would be required for the Senate to add funds instead of undertaking to reverse the action of the Appropriations Committee by voting against what they have proposed, which is a psychological disadvantage. I concede that there is not a great deal of difference in what the Senator from Wisconsin has proposed, but I believe there is some advantage in following the procedure suggested.

The ACTING PRESIDENT pro tempore. Will the Senator from Wisconsin identify the first amendment which he would except?

Mr. PROXMIRE. It is my understanding that I objected to the request of the Senator from Arizona. Therefore, no amendments have been adopted as yet.

The ACTING PRESIDENT pro tempore. The Senator is correct. No amendment has been adopted. The Chair is not exactly certain as to which amendment is the first amendment which the Senator from Wisconsin would except.

Mr. PROXMIRE. May I say to the Presiding Officer, with due respect, that I believe the best way to proceed would be to act on all of the changes made by the Senate Committee on Appropriations to which I have not objected, and treat them as being agreed to en bloc.

To answer the question of the Acting President pro tempore, the first amendment to which I would make exception would include the amendment on page 2, line 2—

The ACTING PRESIDENT pro tempore. The Chair points out that there is no amendment on page 2, line 2.

Mr. PROXMIRE. The Senator is correct. I meant page 2, line 5.

The ACTING PRESIDENT pro tempore. That is what the Chair wished to clarify.

Mr. PROXMIRE. I appreciate the correction.

This includes page 2, line 5. That is one part of the first amendment. Then page 2, line 13: page 3, line 6; page 3, line 8; page 3, lines 9 to 17; page 3, line 19; and page 4, line 11. These are the first proposals of the Committee on Appropriations which I hope to have considered en bloc and to have a vote on.

Mr. ELLENDER. I object.

The ACTING PRESIDENT pro tempore. The first committee amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 5, after the numerals "212" it is proposed to strike out "\$225,000,000" and insert in lieu thereof "\$275,000,000".

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, will the Senator withhold that request for the moment?

Mr. PROXMIRE. I withhold it.

I ask unanimous consent that I may yield to the Senator from Mississippi without my losing the floor.

The ACTING PRESIDENT pro tempore. With that understanding, the Senator from Mississippi may proceed.

#### THE SITUATION AT THE UNIVERSITY OF MISSISSIPPI

**MR. EASTLAND.** Mr. President, I have a statement from the board of trustees, institutions of higher learning in Mississippi and from certain university officials in the State. It was compiled by Mr. Hugh Clegg, who was formerly with the Federal Bureau of Investigation and is now administrative assistant to the chancellor of the University of Mississippi. The statement reads:

As a result of a conference between Mr. Thomas J. Tubb, head of the board of trustees, institutions of higher learning, Mr. Charles D. Fair, member of the board, and S. R. Evans, member of the board, Chancellor Williams of the university, Mr. Hugh Clegg, administrative assistant to the chancellor, and other university officials present, it was deemed advisable to communicate with the U.S. Senators from Mississippi to present the following information which has been accumulated from various sources on the campus.

(1) The Department of Justice had requested the university officials to take steps to warn the students not to assemble or demonstrate with a threat of expulsion if they did. The university officials felt that threatening was not the way to handle the matter and instead they outlined a plan whereby on Sunday night a special edition of the Mississippian, which is the daily campus newspaper, would be issued for distribution early Monday morning. Statements would be sought from the Lieutenant Governor, the Governor, the chancellor of the university, the director of student personnel, and the president of the associated student body, which would be used in the paper over the campus radio, over the local city radio, and over the loudspeaker at the Student Union Building. Such statements were in process of preparation as the students were returning to the campus late Sunday afternoon.

We were informed by a Justice Department spokesman that Meredith would be brought to the campus later the same evening. University officials advised that this might not be an appropriate time, as the students were returning from their homes in large numbers at that time and that we had not yet had time to put into effect the appeal to students which was planned for late Sunday and early Monday morning. The university was informed that Meredith was coming anyway.

(2) It was insisted by the Department of Justice officials that the university proceed to register Meredith on the Sabbath. During two or three telephone conversations, the university, as well as members of the board of trustees contacted, refused to violate the Sabbath or to take these unusual steps as the offices were closed on Sunday and, of course, including late Sunday evening. University officials were informed that Meredith would be on hand and on the university lands shortly, which in view of the approaching darkness was considered locally to be unwise.

(3) Large contingents of U.S. marshals armed and with tear gas equipment and gas masks and other weapons came on to the campus late Sunday afternoon and formed a shoulder-to-shoulder line surrounding the Lyceum Building which is the administration building. They presumably had not been informed by the Justice Department that their plan for registering Meredith on Sunday had been abandoned for there

seemed to be no reason whatsoever to surround this building. Several Justice attorneys entered the Lyceum or administration building and remained there presumably as advisers to the marshals.

(4) As a natural consequence students gathered in front of the Lyceum Building to see what was going on. Before long you could hear them chiding, giving college yells, and, of course, occasional jeering. Some of them were reported to have flicked their cigarettes in the direction of the marshals from a position across the street from the marshals and some of the cigarettes were reported as being flicked toward fabric covering of military trucks.

(5) The military police inquired if the director of student personnel would talk to the students if the marshals furnished a loudspeaker which they agreed to furnish and the director of student personnel agreed to do so.

Loudspeaker equipment was never furnished, so the director of student personnel and other university officials moved among the students talking to them, pointing out that the highway patrol was working harmoniously with the marshals, and that the students should disperse.

(6) Members of the Mississippi Highway Patrol assisted the marshals by urging the students to withdraw and were, in fact, aiding and pushing the students backward onto the grass further away from where the marshals were located as they were surrounding the Lyceum Building. The highway patrol was succeeding in moving the students backward and seemed to have things under control when, without warning, the marshals fired tear gas projectiles, some of them at least fired point blank at the students and highway patrolmen. This seemed, from all accounts, to have been unnecessary and illogical. This is also not the way to use tear gas, as any professional, well-trained law enforcement officer would know.

(7) One highway patrolman was reported to have been struck in the midsection by a tear gas projectile and he was hospitalized and in the early evening a highway patrolman reported that they did not think he would live. He was removed to the hospital at Jackson by airplane later in the night.

(8) Of course, the unfortunate firing of the gas shells provoked the students and others, which apparently detonated the activities which followed. Tear gas permeated the entire area.

(9) A newspaperman representing a London and Paris newspaper was slain shortly thereafter and arrived at the hospital dead on arrival. Outsiders began to come to the campus at some point because the marshals had not closed off the entrance to the campus. They were still guarding the Lyceum Building instead of guarding the entrances to the campus. Another outsider, not a student, was shot dead and several were injured, including three other outsiders whose identity was not known and some U.S. marshals.

(10) Later in the evening, about midnight, reports were received that as students were arrested they were being manhandled by the marshals. Troops of soldiers began occupying the campus after midnight.

It was the recommendation of those present that this information, which is not reported as evidence, but as information received from various sources, be reported to Mississippi's U.S. Senators so that they could announce the information that was available shortly after 2 a.m., particularly with reference to what appeared to be clear indications of amateurism by untrained marshals who had poor leadership with bad judgment.

It was also recommended that the entire Mississippi delegation of Congressmen be invited to come to the campus to investigate the action of the representatives of the De-

partment of Justice, including U.S. marshals and attorneys of the Department, and their incompetency and unjustified action which led to and provoked this action on the campus. They would also be happy, if it is felt desirable, for our congressional delegation to have representatives of the Judiciary Committee come promptly to observe what employees of the Justice Department, above referred to, did and whether their conduct was such as to justify further action by the Congress.

Mr. President, that is the official statement on behalf of the board of trustees or the board of institutions of higher learning and the officials of the University of Mississippi, which I have read to the Senate at their request.

**MR. THURMOND.** Mr. President, will the Senator from Mississippi yield?

**MR. EASTLAND.** I yield to the Senator from South Carolina.

**MR. THURMOND.** I received a call from Mississippi a short while ago, in which it was stated that tear gas had been used in the men's dormitories and inflicted upon persons who have had no part in this affair, and that great suffering had been caused.

**MR. EASTLAND.** I myself have received similar reports. I received a report that tear gas had been flicked into the girls' dormitories and that the girls had to come outside in their night clothes. I have also received reports that students had their hands tied behind their backs and were whipped.

I do not make any accusations. The State is full of wild rumors. The country is full of wild rumors. Whether they are true, or not, I do not know; I would not say.

**MR. THURMOND.** I have also received reports similar to those which the Senator has just described. If the reports which I have received are true, it appears to me that the marshals abused their power.

I wonder if it would not be well to have a congressional investigation made concerning the manner in which the marshals handled their assignments.

**MR. EASTLAND.** That question comes within the jurisdiction of the Committee on the Judiciary and will, of course, be a subject for consideration by that committee.

**MR. THURMOND.** I hope the Committee on the Judiciary will investigate the situation, so that the true facts may be ascertained and a determination made of just what occurred in Mississippi. I am sure the able Senators from Mississippi will receive the full cooperation of the Senate in such an investigation.

**MR. EASTLAND.** I thank the Senator from South Carolina.

**MR. THURMOND.** Mr. President, I ask unanimous consent to insert into the RECORD at this point a statement on Cuba and Mississippi and a copy of the telegram I sent to the President.

There being no objection, the statement and telegram were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STROM THURMOND ON  
CUBA AND MISSISSIPPI, SEPTEMBER 27, 1962

If the administration would demonstrate as much determination about decontaminating Cuba of communism as it has in forcing



That such public lands shall be selected in a manner that will not increase the Government's management problem for other public lands, the selection shall be approved by the Southern Ute Indian Tribe, and the Southern Ute Indian Tribe shall pay to the United States any difference in the values of the lands exchanged.

(c) The owners of the range improvements of a permanent nature placed, under the authority of a permit from or agreement with the United States, on the public lands conveyed to the tribe shall be compensated for the reasonable value of such improvements, as determined by the Secretary, out of appropriations available for the construction of the Navajo unit, Colorado River storage project.

(d) Persons whose grazing permits, licenses, or leases on the public lands conveyed to the tribe are canceled because of such conveyance shall be compensated in accordance with the standard prescribed by the Act of July 9, 1942, as amended (43 U.S.C. 315q), out of appropriations available for the construction of the Navajo unit, Colorado River storage project.

(e) The public lands conveyed to the tribe shall be a part of the Southern Ute Indian Reservation and shall be subject to the laws and regulations applicable to other tribal lands in that reservation.

(f) The tribal lands conveyed to the United States shall no longer be "Indian country" within the meaning of section 1151 of title 18 of the United States Code. They shall have the status of public lands withdrawn for administration pursuant to the Federal reclamation laws, and they shall be subject to all laws and regulations governing the use and disposition of public lands in that status.

(g) In any right-of-way granted by the United States for a railroad over the tribal lands conveyed to the United States, the Secretary shall provide the Southern Ute Indians, at such points as he determines to be reasonable, the privilege of crossing such right-of-way.

(h) The tribal lands conveyed to the United States shall not be utilized for public recreational facilities without the approval of the Southern Ute Tribal Council, and the tribe and its assigns shall have the right to utilize for recreational development the parts of such lands that are in sections 9, 10, 15, and 16, township 32 north, range 5 west, New Mexico principal meridian, Colorado, provided such recreational development does not interfere with the construction, operation, and maintenance of the Navajo Dam and Reservoir or appurtenant structures.

(i) Nothing in this Act shall be construed to abridge any fishing rights that are vested in the Indians.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Senate bill 3713 be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. I move that the Senate reconsider the votes by which H.R. 8113 and H.R. 9342 were passed.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on the first committee amendment, on page 2, line 5.

Mr. MANSFIELD. Mr. President, after discussing the subject with the distinguished Senator from Wisconsin and with the leadership on the other side of the aisle, I am informed that there is agreement, subject to the concurrence of the Senate, for a time limitation on three amendments which are to be offered by the Senator from Wisconsin.

Mr. PROXMIRE. It is my understanding that the Chair has stated that the question is on the first committee amendment. I have proposed a unanimous-consent agreement that the committee amendments be considered en bloc, with certain exceptions. The exceptions involve three amendments. I have discussed the matter with the distinguished Senator from Louisiana [Mr. ELLENDER], who has a deep interest in the bill. It is my understanding that he concurs in my request, with the understanding that it does not affect his right to call up his amendments.

Therefore I renew my unanimous-consent request.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. KUCHEL. Reserving the right to object, I desire to have the Senator from Wisconsin state for the RECORD the three committee amendments which, under his proposed unanimous-consent agreement, would be considered separately, my understanding being that the entire group of amendments other than these three would then be considered en bloc. In other words, I would like to have the Senator spell out his agreement for the benefit of the Senate.

Mr. PROXMIRE. I did it earlier today, but I am glad to do it again.

In the first place, the amendments that are not included would be considered en bloc, agreed to, and treated as original text. Furthermore, the three amendments which I have submitted, which are en bloc amendments, would also be treated as original text.

I call the attention of the Senator from California to the text of the bill. I will refer to the amendments by page and line. Page 2, line 5; page 2, line 13; page 3, line 6; page 3, line 8; page 3, lines 9 through 17; page 3, line 19; page 4, line 11. I am asking that these amendments of the committee be treated en bloc. I will try to get a yea-and-nay vote on the question of whether the Senate will make the increases which the committee has asked the Senate to make.

Mr. KUCHEL. What the Senator has done is to indicate by page and line those amendments that he wishes to have considered en bloc. Is that correct?

Mr. PROXMIRE. The Senator is correct.

Mr. KUCHEL. There are more than three amendments.

Mr. PROXMIRE. I have three en bloc amendments. The first amendment is to be considered is the amendment to which I have referred, which includes a series of other amendments. Let me put it this way.

What I would do would be to cut back "development grants" by \$50 million; "investment guaranties" by \$70 million; "supporting assistance" \$50 million; "contingency fund" \$65 million; "Alliance for Progress" \$150 million; "development loans" \$350 million; "military assistance" \$150 million.

Mr. KUCHEL. Does the Senator propose to offer these as separate amendments?

Mr. PROXMIRE. No; they would be offered en bloc. My proposal is that the Senate return to the House figures in these cases. We would be voting on whether we desired to go back to the House figures. That would be a separate vote.

I understand the Senator from Louisiana [Mr. ELLENDER] proposes to offer a substitute amendment on military assistance and also another amendment.

Mr. ELLENDER. That is, if the amendment of the Senator from Wisconsin does not succeed.

Mr. PROXMIRE. That is correct.

Mr. ELLENDER. I hope the Senator's amendment will be agreed to.

Mr. SALTONSTALL. Mr. President, I call the attention of the majority leader and of the acting minority leader to the fact that the proposal of the Senator from Wisconsin will go to the heart of the bill.

If it is desired to consider the proposal of the Senator from Wisconsin and discuss the whole subject as a unit, namely, whether to return to the House figures or not, I am perfectly agreeable to doing so. But I call the attention of the leadership to the fact that if the proposal of the Senator from Wisconsin prevails, all the action of the Senate Committee on Appropriations will go out the window.

Mr. PROXMIRE. I have made this proposal with the idea of saving time. If the Senate were to discuss each item individually, it would take much more time. I am perfectly willing to agree to a limitation of time for debate.

Mr. SALTONSTALL. That is all right.

Mr. KUCHEL. Mr. President, is a part of the consent agreement an agreement as to time? If so, what is the limitation?

The ACTING PRESIDENT pro tempore. At this time the unanimous consent agreement is merely with respect to the consideration of the amendments.

Mr. KUCHEL. En bloc?

The ACTING PRESIDENT pro tempore. The committee amendments en bloc, with the deletion proposed by the Senator from Wisconsin.

Mr. KUCHEL. I think it would be more satisfactory if we "wrapped up" the whole proposal in one unanimous-consent agreement.

Mr. GOLDWATER. Mr. President, reserving the right to object, may I inquire of the Senator from Wisconsin how many separate amendments would be involved? Why not discuss each one

separately and vote on each one separately?

Mr. PROXMIRE. My first proposal would cover seven separate amendments. They would all have the same general purpose. They would all be concerned with reducing the Senate Appropriations Committee figures to the amounts as passed by the House.

Mr. GOLDWATER. What about the next amendment of the Senator from Wisconsin?

Mr. PROXMIRE. The next amendment relates to discretion with respect to Cuba. That would be one amendment, to be treated separately.

The next amendment involves Presidential discretion with respect to Yugoslavia and Poland. That also would be one amendment, to be treated separately.

Mr. GOLDWATER. So the Senator is speaking about three separate funds?

Mr. PROXMIRE. The Senator is correct.

Mr. GOLDWATER. I am inclined to wish that the Senator would discuss and vote on each item separately under his first proposal. I think it would be too easy for the Senate to say "No" to his proposal en bloc.

Mr. PROXMIRE. If the Senator will permit me to proceed in the way I have suggested, subsequent amendments will be offered to particular sections about which individual Senators feel strongly. The Senator from Louisiana has at least two such amendments, and other Senators will desire to offer amendments if those amendments fail.

Mr. GOLDWATER. If the Senator's proposal fails, will there be an opportunity to vote on the amendments piece-meal?

Mr. PROXMIRE. Not on all of them; only if Senators have an interest to submit amendments in particular areas in which they feel reductions should be made.

Mr. MANSFIELD. Mr. President, if I understand the Senator from Wisconsin correctly, he is proposing what ordinarily would be proposed by the chairman of the Committee on Appropriations, who is handling the bill; namely, he is asking unanimous consent that, with certain exceptions, the committee amendments be agreed to en bloc. If this is done, it will mean that the Senator from Wisconsin will offer three major amendments to the bill.

Mr. PROXMIRE. No; not quite. The first part of what the Senator from Montana said is correct. After that action has been taken, it will be up to the committee to persuade the Senate to adopt each amendment, the first being an increase of \$785 million over what the House provided; the second will be with regard to the discretion with respect to Cuba; and the third will be with respect to aid to Yugoslavia and Poland.

Mr. MANSFIELD. Is it the Senator's intention to request a separate vote on each of his three proposals?

Mr. PROXMIRE. That is my intention.

Mr. MANSFIELD. In line with the request being made by the Senator from Wisconsin, and with the approval of the

Senate, I should like to propose an additional unanimous consent request: That 1 hour be allocated to each of the 3 proposals mentioned by the Senator from Wisconsin, 30 minutes to a side. I have discussed this proposal with the leadership on the minority side, with the Senator from Wisconsin, and with members of the Committee on Appropriations. So far as I know, the proposal is agreeable.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. GOLDWATER. May we have the yeas and nays ordered at the same time the request is made?

Mr. MANSFIELD. The yeas and nays will be ordered; I promise that to the Senator.

Mr. KUCHEL. So that I may understand correctly, the following amendments will be considered together. That is to say, what I am about to read will be, subject to the unanimous consent agreement, adopted by the Senate, subject to a motion to change the amounts involved in each instance:

On page 2, lines 5 and 13; on page 3, lines 6, 8, 9 to 17, inclusive; and line 18. On page 4, line 11. Is that correct?

Mr. PROXMIRE. That is correct.

Mr. KUCHEL. I have no objection.

Mr. HICKENLOOPER. Mr. President, reserving the right to object, I should like to ask the majority leader concerning the effect of the amendment. I have no particular intention of objecting, but I do not know what will happen. A number of Senators wish to support as vigorously as we can very substantial reductions in certain sections of the bill. I for one do not wish to be precluded from having that opportunity. I do not know what the effect of the proposed amendment would be.

Mr. PROXMIRE. As I understand my unanimous-consent request, if my amendment fails, any Senator will be perfectly free to offer any amendment he wishes to reduce any item in this group.

Mr. MANSFIELD. And some amendments will be offered.

Mr. HICKENLOOPER. Do I correctly understand that we are dealing with a unanimous-consent request?

Mr. MANSFIELD. Applicable only to three amendments which are being proposed, in effect, by the Senator from Wisconsin; not to amendments to be offered by other Senators—and others will be offered.

Mr. HICKENLOOPER. The bill contains committee amendments. According to the usual procedure, very often they are subject to blanket adoption. Then Senators are privileged to offer amendments affecting the particular committee amendments adopted en bloc.

Mr. MANSFIELD. That is correct.

Mr. ELLENDER. That will be the effect of the unanimous-consent agreement if the amendments offered by the Senator from Wisconsin are not adopted. Then any Senator will have the right to offer amendments as to any particular amendment.

Mr. HICKENLOOPER. How do the amendments offered by the Senator from

Wisconsin affect the committee amendments?

Mr. ELLENDER. The Senator from Wisconsin is trying to restore the House figures.

The ACTING PRESIDENT pro tempore. The Chair wishes to state that the Senator from Wisconsin is not offering any amendments; he is merely asking for a vote on each committee amendment, with the usual provision that it be treated as original text and that any points of order may be waived. In other words, the Senator from Wisconsin is proposing to have the committee amendments voted on in four stages: all the accepted amendments in one stage; then the amendments on pages 2, 3, and 4 in the second stage; the amendment on page 7 in the third stage; and the amendment on page 9 in the fourth stage. All other committee amendments will be treated as original text and no points of order will be waived, and they will then be subject to further amendment.

Mr. HICKENLOOPER. I have no desire to delay the expeditious consideration of the bill. All I am concerned about is that we do not get into a parliamentary situation under which Senators will be precluded from offering amendments, especially to reduce any of the amounts, unless they are reduced by other methods.

Mr. MANSFIELD. Mr. President, the Senator's rights will be fully protected, and I am sure that what he contemplates will be done. So the rights of all Senators will be protected.

Mr. HICKENLOOPER. That is what I wish to have done.

Mr. MANSFIELD. And it will be done.

Mr. ELLENDER. Mr. President, let me ask the Senator from Montana which amendments are covered by the unanimous-consent request.

Mr. MANSFIELD. The three groups of amendments.

Mr. ELLENDER. And how much time would be allowed for each group?

Mr. MANSFIELD. One hour—30 minutes to a side.

Mr. ELLENDER. On all three groups, or on each group?

Mr. MANSFIELD. A total of 1 hour for each of the three groups.

Mr. HICKENLOOPER. When will the proposed limitation begin?

Mr. MANSFIELD. As soon as the amendments are called up.

Mr. HICKENLOOPER. This afternoon I wish to discuss a matter which, although not directly related to this bill, has some relationship to it. It is a matter which occurred a short time ago, and about which I think the Senate should be informed. I am perfectly willing to have the proposed time limitation on the specific amendments go into effect, but I do not wish to be prevented from discussing the matter to which I now refer.

Mr. MANSFIELD. Certainly not.

The ACTING PRESIDENT pro tempore. Is there objection to the proposed unanimous-consent agreement? The Chair hears none. Without objection, it is so ordered.

The question now is on agreeing to the first group of committee amendments.

The committee amendments referred to are as follows:

On page 2, line 5, after the numerals "212", to strike out "\$225,000,000" and insert "\$275,000,000".

On page 2, line 13, after the letter "(f)", to strike out "\$30,000,000" and insert "\$100,000,000".

On page 3, line 6, after the numerals "402", to strike out "\$350,000,000" and insert "\$400,000,000".

On page 3, line 8, after "section 451(a)", to strike out "\$225,000,000" and insert "\$290,000,000".

On page 3, after line 8, to strike out:

"Alliance for Progress, development loans: For assistance authorized by section 252, \$425,000,000, to remain available until expended."

"Alliance for Progress, development grants: For expenses authorized by section 252, \$100,000,000."

And, in lieu thereof, to insert:

"Alliance for Progress: For assistance authorized by section 252, including not to exceed \$100,000,000 for grants, \$575,000,000, all such funds to remain available for loans until expended."

On page 3, line 19, after "section 202(a)", to strike out "\$775,000,000" and insert "\$1,125,000,000".

On page 4, in line 11, after the word "States", to strike out "\$1,300,000,000" and insert "\$1,450,000,000".

By unanimous consent, the following committee amendments were agreed to, en bloc:

On page 2, after line 14, to insert:

"Surveys of investment opportunities: For expenses authorized by section 232, \$1,000,000."

On page 2, line 18, after the figure "\$148,900,000", to strike out the colon and "Provided, That no part of any other appropriation contained in this Act may be used to augment funds or programs contained in this paragraph" and insert a colon and "Provided, That no part of any other appropriation contained in this Act, except funds appropriated under this Act for the contingency fund, may be used to augment funds or programs contained in this paragraph, and no funds shall be transferred from funds appropriated under any other paragraph of title I of this Act to the contingency fund for the purpose of augmenting funds or programs contained in this paragraph."

On page 3, line 22, after "section 637(a)", to strike out "\$46,000,000" and insert "\$52,000,000".

On page 4, line 1, after the numerals "1961", to insert "as amended", and in line 2, after the word "amended", to strike out "\$2,700,000" and insert "\$3,100,000".

On page 4, line 6, after the numerals "1961", to insert "as amended"; in line 8, after the word "exceed", to strike out "\$24,000,000" and insert "\$24,500,000".

On page 4, line 17, after the numerals "1961", to insert "as amended".

On page 5, line 6, after the word "per", to strike out "circular A-47 of the Bureau of the Budget, dated December 31, 1952" and insert "memorandum of the President dated May 15, 1962".

On page 9, line 15, after the numerals "1961", to insert "as amended".

On page 11, line 12, after the word "contract", to insert "for procurement to which the United States is a party".

On page 12, line 3, after the word "directly", to strike out "selected" and insert "approved".

On page 12, line 7, after the word "than", to strike out "\$4,000,000" and insert "\$12,000,000".

On page 12, after line 15, to insert a new section, as follows:

"Sec. 115. Amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under 'Economic Assistance', are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: Provided, That such purpose relates to a project previously justified to the Congress."

On page 13, after line 2, to insert a new section, as follows:

"Sec. 116. Foreign currencies not to exceed \$200,000, made available for loans pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred incident to such loans."

On page 13, line 14, after the word "States", to strike out "\$52,000,000" and insert "\$63,750,000", and in line 15, after the amendment just above stated, to strike out the comma and "of which not to exceed \$15,500,000 shall be available for administration and program support costs".

On page 14, line 7, after the word "appurtenances", to strike out "\$7,900,000" and insert "\$12,000,000", and in line 8, after the word "exceed", to strike out "\$1,900,000" and insert "\$2,100,000".

On page 15 line 16, after "(5 U.S.C. 55a)", to strike out "\$55,000,000" and insert "\$70,110,000".

On page 16, line 7, after "(5 U.S.C. 55a)", to strike out "\$14,447,000" and insert "\$16,677,000".

On page 17, line 6, after the word "until", to strike out "December 31, 1966" and insert "expended".

On page 19, line 6, after the word "law", to strike out "\$73,000,000" and insert "\$73,560,000", and in line 8, after the word "which", to strike out "500,000" and insert "\$560,000".

On page 19, after line 10, to strike out:

**UNITED STATES INFORMATION AGENCY  
ACQUISITION AND CONSTRUCTION OF RADIO  
FACILITIES**

"For an additional amount for 'Acquisition and construction of radio facilities', \$1,600,000, to remain available until expended."

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there may now be a short quorum call, with the proviso that the time required for the quorum call not be charged to the time under the control of each side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY. Then, Mr. President, I now suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, the Senate is now proceeding under the time limitation agreed to, is it not?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. HUMPHREY. And on this group of amendments, 30 minutes are available

to each side, and the time is under the control of the majority leader and the Senator from Wisconsin [Mr. PROXMIRE], respectively; is that correct?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. HUMPHREY. I thank the Chair.

Mr. PROXMIRE. Mr. President, I yield myself 15 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized for 15 minutes.

Mr. PROXMIRE. Mr. President, it has already been stated that if these amendments, which would increase by \$785 million the amounts voted by the House, were to be rejected, the whole program would be gutted. But, Mr. President, I submit that is not correct.

I expect to support foreign aid, as I have done in past years. But I am sure it is both proper and desirable to support reductions which can be made.

There are several reasons why the program should be reduced in size. One of the reasons is that there is a great deal of money "in the pipeline"—funds appropriated in past years, but not yet spent. Another reason is that in some parts of the world the countries which have received our foreign aid have greatly benefited, and now are doing extremely well. For example, in many of the countries of Europe, the gross national product and the standard of living have been increasing much more rapidly than ours, and are now much higher than ever before, and the tax burden on the people of these countries is lighter than ours, and the percentage of their gross national product and the percentage of their taxes which many of these countries spend for defense are smaller than ours. Nevertheless, this bill provides appropriations of several hundred million dollars for military assistance to European countries.

In addition, there is much evidence that waste, extravagance, and unjustified spending have occurred in connection with our foreign aid program. Everyone concedes that; but some who concede it say, "Yes, it is true; but we must have this program as a bulwark against communism; and if we are to be successful in our opposition to communism, we must be willing to pay the bill."

Mr. President, I accept that. But, unfortunately, Government spending is not subjected to the same kind of discipline to which private businesses are subjected. The Government is not faced with the requirement of making a profit and, therefore, the requirement constantly to keep an eye on costs, and to be very careful about the amounts spent, and to eliminate inefficient programs—because the survival of the enterprise is not at stake.

With regard to Government spending, and particularly spending in foreign aid, the only real discipline we have is to insist on a thorough and convincing justification on the part of those who administer the program. I submit that anyone who even glances at the hearings on the program, and certainly one who reads the very precise and concise House

report, will be convinced that there is waste in the program, and that the only way we can impose any discipline is to reduce the spending figure somewhat.

If my amendment is accepted we will still spend more than \$3½ billion in a foreign aid bill. If my amendment should succeed, we would still be providing generously for a foreign aid program. It is not a gutting proposal. It is scalpel cutting, and not meat-ax cutting.

Taking up the proposals seriatim, my first proposal is to cut back development grants by \$50 million. It would reduce the figure to \$225 million from \$275 million, \$225 million being the figure recommended in the House of Representatives.

In the course of the hearings in the House—and I am referring now specifically to page 10 of the House committee report—it was brought out by the chairman of the House Subcommittee on Foreign Aid Appropriations that, as originally presented, the administration was asking, for example, for what amounted to \$54,000 a year each for technicians.

I quote from page 904 of the House hearings:

Mr. PASSMAN. On page 494, I read the last paragraph:

"Technical support costs are expected to rise to \$1,677,000 next year, covering the estimated 23 Americans and 150 locals in the support staff. This reflects the expanded program."

I suppose the locals will be financed out of the other item of \$260,000?

Mr. MOSSLER. Yes, sir.

Mr. PASSMAN. And the 23 U.S. technicians will be funded out of the \$1,260,000?

Mr. MOSSLER. Yes, sir.

Mr. PASSMAN. Thank you.

Now, take the \$1,260,000 and divide it by 23. That means these technicians are costing \$54,000 a year, each.

Could you give us a brief explanation as to why the cost is so high?

No explanation was forthcoming. Later, the agency came forward with an explanation in which the amount for technicians was cut by two-thirds, but the resultant savings was simply added to other figures and lumped with other costs, without justifying that particular breakdown.

Mr. President, this was not an isolated example. Other examples were developed on the basis of the House hearings.

I feel strongly that we should have moved long ago from grants to loans. A grant program is extraordinarily hard to administer, from the standpoint of eliminating waste, because there is no effective check over it, as there is in connection with a loan. We can watch the loan and get something back for it.

So I feel that the reduction to \$225 million, a \$50 million reduction, still allowing \$225 million for grants, makes sense, particularly in view of the fact that the hearings reveal many examples, such as the one I have given, to show that the administration itself is unable to give a comprehensive, precise, and accurate description of where this enormous amount of money is going.

The second proposal is to reduce investment guarantees from \$100 million to \$30 million, the \$30 million being the amount allowed by the House.

The House report points out that in view of the very favorable loss experience factor—less than one-tenth of 1 percent—during the 14 years of operation of the program, the House committee can see no logical need for a reserve fund of \$180 million for guarantees anticipated to be issued in 1963 under this program to meet claims that are not anticipated to arise and may never materialize—and, I may add, on which there is no basis to expect that they would.

The House committee calls attention to the fact that the Federal Government has a contingent liability—retired military pay, veterans pensions and benefits, and various other types of commitments—that is authorized by law which, according to one estimate amounts to approximately \$746 billion. The Federal Government has no reserve fund nor does it contemplate creating one to assure them that their claims, pensions, annuities, and so forth, will be paid, because the Government's word is the assurance.

It is said, "Yes; but suppose it should be necessary for the Government to meet these guarantees. Where would the money come from?"

In the event of an unusual situation which would require funds in excess of the amount recommended in the bill, the President, under section 610 of the Authorization Act, could transfer appropriations into that fund from other appropriations contained in the bill. If that authority should not be adequate to meet any claim arising under the program, the administration could then submit requests for additional appropriations, which, of course, would receive the immediate attention of Congress. Congress will be out of session only a few months.

I submit that that method can be followed if there is a need, but I think the \$30 million is ample for investment guarantees.

Then, I would cut back supporting assistance by \$50 million, from \$400 million to \$350 million.

Mr. President, the supporting assistance program is another program that is extraordinarily difficult to administer, because it is not based on development of an economy, but is based on support in particular countries, countries that are mostly poor countries, that have relatively weak economies, that are on the frontlines, that provide a base for our own operations in some cases, and in all cases substantial military resistance to the Communists.

I recognize that that is a desirable and necessary program, but there has not been any showing that we need to go higher than the \$350 million recommended by the House.

On the basis of all the experience we have had with defense support in the past, it seems that \$350 million would be ample. There have been no instances of which I am aware, in going through the hearings, in which any of these countries have been desperately in need of additional defense support. I think we have seen many instances of waste, and perhaps defense support is the most shameful example of waste. In some

countries, especially in southeast Asia, such funds have not been wisely used. Therefore, I believe the House figure should be adopted. It is a lesser amount, but is still adequate.

Next, with respect to the contingency fund, I propose to cut that back by \$65 million. The full authorization is \$300 million. The Senate committee has provided \$290 million, or practically the full authorization. The House was careful in arriving at its recommendation. It took into consideration the fact that certain programs, such as the refugee and migrant programs, which received their operating funds in 1962, in the amount of approximately \$42 million, from the contingency fund, are now provided for by appropriations in another part of the bill. In addition, about \$5 million was transferred from the contingency fund to the administrative expenses appropriations of the AID Agency and the State Department.

I do not think any case has been made—and I would like to hear from those who support the increase for the contingency fund—that more is needed for this item. We have had this program for 15 years, and we should have developed ample experience to demonstrate that we need this very large amount over what the House requested.

I now turn to the next item, which is the Alliance for Progress. I think the concept behind the Alliance for Progress is one of the most noble and also one of the most intelligent we have ever tried in respect to foreign aid. It is the idea that we can use the Alliance for Progress—that is, aid to South American countries—not only to assist those countries, but also to persuade them to modify their economic and social operations so that more of their people will have a real stake in those countries and in their societies, so that farmers may own their own farms and the people pay just taxes. However, even the most enthusiastic supporters of the Alliance for Progress would be forced to agree that we have fallen far short of our goal. This does not mean we should let up at all, but it should mean that we should be more careful, in my judgment, in the future than we have been in the past, as to conditioning our foreign aid on genuine reforms on the part of the countries of South America.

At the recent Punta del Este Conference, one of the critical proposals which came before the Conference was the move sponsored by the United States to oust Cuba from the Organization of American States. The House committee inquired with respect to the proposed 1963 program for the six nations which did not agree with our position on this important issue, and discovered that the proposed 1963 program was several million dollars higher than the 1962 program.

In other words, nations which disagreed with us in respect to Cuba and South America are to get more money than they have been given in the past.

Perhaps those nations should still get some foreign aid, but I believe we should use our foreign aid for political purposes, if using it for political purposes means

doing all we can to persuade countries to support our foreign policy with respect to the threat of Castro and communism generally. In this area alone we could allow a substantial amount of the \$50 million cut which I suggest.

Furthermore, I share the House committee's disappointment with regard to the progress which has been made in the area of reform. I feel, as I have said before, that before we provide substantial amounts of foreign aid, we should insist, that there be some reform in the future, particularly with respect to taxation and with respect to landholdings.

Mr. President, the next area is the area of development loans. The reduction with respect to the figure for development loans would be the biggest of all. It would constitute almost half of the total cut I propose, \$350 million.

The House report points out:

A realistic analysis of these so-called development loans indicates that the purpose of the appropriation is no different than the aid programs of the past. The only difference seems to be that this aid is now supposed to be on a loan basis and repayable in dollars—apparently to make the foreign aid program more palatable to the American taxpayer. However, even a superficial examination of the terms of these "loans" indicates that it is still a grant aid program. This conclusion is substantiated by the testimony of the Administrator, Mr. Fowler Hamilton, on page 235 of part 2 of the hearings where he stated that a development loan "is more than half grant to start with, if you figure in the cost of the money."

Most of the development loans are repayable in 40 years with no interest and a service charge of only three-fourths of 1 percent per year. After a 10-year grace period, the borrowing country starts repaying 1 percent per year on the principal.

Sentiment has been expressed in the Senate—and I think it makes sense—to the effect that we should do all we can to move away from grant programs. This is as close to a grant program as we can get.

The PRESIDING OFFICER (Mr. Moss in the chair). The time of the Senator from Wisconsin has expired.

Mr. PROXMIRE. Mr. President, I yield myself 3 more minutes.

The PRESIDING OFFICER. The Senator from Wisconsin may proceed for 3 additional minutes.

Mr. PROXMIRE. Everybody knows that making loans for a period of 40 years and charging no interest on them results in a situation in which the value of the interest involved exceeds by a substantial amount the principal.

In this kind of situation there occur most of the difficulties with regard to any grant program—with respect to administration, with respect to seeking that the money is paid back, with respect to avoiding graft, with respect to preventing the money from being misused and falling into the hands of a very few people, and so on.

Mr. President, the final proposal involved in the committee report to which I object is that for military assistance.

The Senate committee went \$150 million higher than the House. I think we could justify a cut far below the House figure, but I do not recommend that. I recommend a cut only to the House figure.

On page 12 of the Senate committee report, there is a listing of areas of the world which ought to receive military assistance. They are not listed by countries I presume that is classified information.

The first is "Europe." Europe is to get \$314 million of assistance. I cannot understand how we could justify giving assistance to the European countries. Those countries include the United Kingdom, Germany, and a number of other countries. Virtually every country in Europe has enjoyed a tremendous increase in its gross national product, in its average personal income, and in capacity to buy its own arms.

Those countries are under the Communist gun. Again and again and again we have received assurances from the administration that the administration will do what it can to persuade our allies to carry more of the burden. Somehow, although we wait for that happy day, other countries fail to do their share.

The easiest way to make sure that those countries carry more of the burden is to reduce the assistance which we give to them.

I point out, furthermore, that \$77 million is to be provided in military assistance to "Latin America."

One of the finest speeches I have heard since I came to the Senate was the speech delivered this year by the distinguished Senator from Alaska [Mr. Gruening] who documented chapter and verse to show not only how wasteful but also how mischievous much of the aid to the Latin-American countries has been.

Seventy-seven million dollars is a great deal of money. Such a sum cannot be defended, it seems to me, on the ground that it would keep Castro out of Latin America. It is ridiculous to assume that we cannot keep Castro out of Latin America with our Navy and our Air Force, with such an enormous predominance of power.

It is ridiculous to think that this little island with 6 million people and a relatively very feeble military force cannot be held in check by the United States.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has again expired.

Mr. PROXMIRE. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from Wisconsin may proceed for 2 more minutes.

Mr. PROXMIRE. Mr. President, Castro does not represent a military threat to Latin America.

As we have seen over and over again, the weapons which we provide to the countries of South America are used by South Americans against other South Americans, and have been used in some cases for the overthrow of democratically elected regimes. We know that American Sherman tanks and other American weapons, including jetplanes—we have seen pictures of all this—have been used to force out democratically elected regimes in Latin America.

Under these circumstances I feel very strongly that we could justify cutting out virtually all the allowance for Latin

America in military aid, and certainly most of it.

Mr. President, this is an item-by-item summary of what my proposal would achieve.

I think the burden is on the proponents. This is the reason I have followed this procedure of objecting to committee amendments. I think the burden should be on Senators who are in charge of the bill to convince the Senate that it should provide more than the House recommended in each of these cases. The burden should not be on those of us who oppose increasing spending for foreign aid. The burden should be on Senators who are in charge of the bill. It should be up to them to establish the fact that the Senate should increase development grants by \$50 million, investment guarantees by \$70 million, supporting assistance by \$50 million, the contingency fund by \$65 million, the Alliance for Progress by \$50 million, the Development Loan Fund by \$350 million, and the military assistance funds by \$150 million more than the figures provided by the House.

I submit that the almost \$3.7 billion involved in the House bill is more than ample for foreign aid.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. PROXMIRE. Mr. President, I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Minnesota may proceed for 10 minutes.

Mr. HUMPHREY. Mr. President, let it be clearly understood that the foreign aid bill was not the subject of casual interest on the part of Senators or Members of the other body. The subject has been debated for weeks and months.

I serve as a member of the Senate Committee on Foreign Relations. Hearings were held for several weeks. We gathered testimony that ran into hundreds of pages. We cross-examined witnesses from the State Department and the AID Administration at length. We not only cross-examined witnesses, but we carefully examined the programs in each of the countries involved, and sought, to the best of our ability, to give an honest judgment as to the requests made by the administration.

I should like the Senate to know that when the administration made its request for the foreign aid program this year it requested \$4,878,500,000. That amount is very close to the \$5 billion figure.

The Senate cut that request down to approximately \$4,300 million. Then the Senate Committee on Appropriations did its work. The hearings were extensive. The transcript runs almost 600 pages. Every witness was examined and cross-examined at length.

Let us take a look at some of the amendments being offered by the Senator from Wisconsin and see what hap-

pened in the light of the committee testimony.

#### DEVELOPMENT LOAN GRANTS

First, the administration asked for development loan grants in the amount of \$335 million. That amount was cut back by the two Houses in the authorization bill to \$300 million, a \$35 million, or a 10 percent, reduction. The House cut that amount in the appropriations to \$225 million. The Senate established a figure of \$275 million, which is still \$60 million below the administration request.

#### INVESTMENT GUARANTEES

I am rather surprised that any effort should be made to cut back investment guarantees. If the foreign aid program is ever to be successful, as people want it to be, we must include in the foreign aid operations a major section of America's enterprise, namely, the private enterprise sector. The only way that can be done is under some form of investment guarantee program. We did not enter into investment guarantees merely by accident or as a shot in the dark. The subject had been carefully considered. The investment guarantee program of \$100 million is a minimum. Can Senators imagine an investment guarantee of the figure of \$30 million that is being asked for in the amendment of the Senator from Wisconsin? That is not very much investment, and it surely is not very much investment insurance. It would not bring very much investment into the area of Latin America, Asia, and Africa, which are high risk areas.

In the field of foreign aid, we are now operating in countries in which the risks are high and in which the political and social pattern is one of disorder. Yet they are countries in which the Communist penetration is a living fact. It was one thing to have a foreign-aid program in a highly industrialized and sophisticated community of educated, intelligent, and learned people such as we found in Western Europe. It is another thing to try to have a development loan program or a foreign-aid program in countries in Africa, Asia, and Latin America, where there is disorder, where colonialism has just been liquidated, and where national independence and sovereignty have only recently been established.

#### SUPPORTING ASSISTANCE

The Senator from Wisconsin would cut back the supporting assistance to the House figure of \$350 million. I believe the Senate ought to know that President Kennedy, Secretary of State Mr. Rusk, and the AID Administrator, Mr. Hamilton, requested of the Congress \$481,500,000. That amount was cut back in the authorization to \$415 million. In fact, \$66 million was cut off, representing a 15-percent reduction before the bill ever got to the Appropriations Committee. The House cut that amount back to \$350 million, and the Senate restored it to \$400 million. That amount is still 20 percent below what the administration requested. That is an \$81 million reduction from the original authorization request.

I point out those facts because there has been frugality. Prudent judgment has been exercised on the foreign-aid ap-

propriation. Frugality and prudent judgment were exercised in connection with the authorization. I happen to believe that the men who came before us—men like Mr. Rusk, Mr. Coffin, Mr. Hamilton, and others—are as deeply concerned about the taxpayers' money as we are, and that they are as deeply concerned about the efficiency of the program.

I hear charges about waste and about the mistakes of foreign aid. But what about its accomplishments? There have been plenty of them. How about the schools, the harbors, the thousands of miles of roads, and the hundreds of thousands of homes that have been constructed? How about the thousands of young people who have been educated, the factories that have been built, the water systems that have been installed, the public health programs that have been inaugurated? We never read about those.

The situation is pretty well illustrated by the way in which the daily newspapers present the news. One could drive his car for 50 years in sobriety and with never an accident. He would never get his name in the newspaper. But if he should drink two glasses of beer and have an accident, he would get first-page headlines. That person could live 50 years of good, clean, and wholesome life, all of which would have gone down the drain with one accident. That is about the way some people judge the foreign aid program.

The critics discover a mistake. They find instances in which the program was not good. They find an instance in which a program was established and the government was not reliable. They then say, "Oh, look at the foreign aid program."

Mr. President, we are not working with the most stable governments in some of the countries into which we have gone. We must do with what is there. I submit that the record of foreign aid is one to which we can point with justifiable pride, unless all we desire to do is to entrance ourselves and our audience by pointing out the horror stories and the mistakes that have been made.

The whole institution of home and marriage could be destroyed if only mistakes and troubles were pointed out.

It seems to me that if we want a development program, we must have the money for it. To go back to the House figure would merely mean that we could not make any new loan programs. It would mean that programs in vast areas of the world would be gone.

The loans under the loan program would be repayable in dollars.

I cannot believe that anyone would be serious about wanting to reduce the investment guarantee program.

We come now to the subject matter of supporting assistance. I remind Senators that supporting assistance relates to Vietnam, Korea, Turkey, and many other countries which are on the front-lines of the struggle against the forces of communism and for a program of progress.

#### CONTINGENCY FUND

The request of the administration was for \$400 million for the contingency

fund. We cut it back in the authorization to \$300 million. The other body reduced the amount to \$225 million and we restored the sum to \$290 million, which is \$110 million less than what the President requested.

What is the contingency fund? It is possibly the most realistic fund of them all. If anyone can predict what kind of world we shall have, he is a greater prophet than Isaiah, Ezekiel, Amos, Hosea, or Jeremiah—and I could add a few more. The contingency fund is based upon the known fact that this is a very reasonable amount in this unpredictable world. The committee has cut \$110 million from the President's request. This is the same Congress that tells the President, "Tell Castro where to go. Spell it out to him. Stand up to Khrushchev. Do a better job in Africa and do a better job in Asia. Of course we expect you to do all of these things with one of your arms tied behind your back. We will hobble you around the feet, but we expect you to do all this. At the same time we want you to do it with \$110 million less than you said you needed."

The committee has gone very meticulously into this problem, and I am prepared to justify that action. The question can be asked, "Are you sure that every dollar of it will be spent well?" The answer is, "No." Neither can any Senator say that his wife will spend his money well, or that he will spend every dollar well. We can expect the able men who operate the programs to spend this money as wisely as anyone can spend money.

#### FOREIGN AID IS NATIONAL SECURITY

Mr. President, last week the House of Representatives, following the recommendation of its Appropriations Committee, cut the administration's foreign aid request by over a billion dollars. The effect of this action upon U.S. foreign policy, unless corrected by the Senate, has been best stated by President Kennedy:

The drastic cut in foreign aid funds recommended by the House Appropriations Committee poses a threat to free world security.

It makes no sense at all to make speeches against the spread of communism, to deplore instability in Latin America and Asia, to call for an increase in American prestige and initiative in Eastern Europe—and then vote to cut back the Alliance for Progress, to hamper the Peace Corps, to cut off surplus food shipments to hungry Poles, to repudiate our long-term commitments of last year and to undermine the efforts of those who are seeking to stave off chaos and communism in the most vital areas of the world. Foreign aid has increasingly meant trade, sales, and jobs in this country, and reform, progress, and new hope in the developing countries.

The aid program is just as important as any military spending we do abroad. You cannot separate guns from roads and schools when it comes to resisting Communist subversion in underdeveloped countries. This is a lesson we have learned clearly in South Vietnam and elsewhere in southeast Asia. To mutilate the aid program in this massive fashion would be to damage the national security of the United States.

I cannot believe that those in both parties who have consistently voted in the course of three administrations to fulfill this Nation's obligations of leadership will permit this irresponsible action to go uncorrected.

Mr. President, we are accustomed to witnessing the yearly attacks on foreign aid. Again and again we see and hear certain groups and individuals demanding drastic reductions in foreign aid. But never before has this slashing been as ill-timed or ill-conceived as today, when Communist influence is increasing in the Western Hemisphere, when Soviet pressure is mounting on Berlin, when Chinese military, political and economic pressure on southeast Asia is soaring.

We must remind ourselves and the American public that foreign aid is a vital element of our national security, as important as our military power and our economic strength, to which it is closely related. Mr. President, the drastic cut in the foreign aid bill by the House of Representatives represents a blow to our national security. At a time when we hear some demanding that we get tough with Castro and Khrushchev, Congress should provide the Commander in Chief with the tools to do the job. Talk and resolutions are cheap and easy. National defense and international security are costly and demanding. To help the President do the job that needs to be done, the Senate must support the full restoration of funds recommended by the Appropriations Committee.

Foreign aid is a vital part of the total shield of national security. Foreign aid is a projection of American cooperation with our allies and other freedom-loving peoples. Foreign aid is constructive foreign policy, sound economic policy, and an essential requirement for world political leadership. Foreign aid represents jobs and business at home; it represents progress and development abroad.

It makes no sense to cut the aid program by \$1 billion when foreign aid is more badly needed than ever before.

I will not belabor the Senate with a lengthy justification of foreign aid as an instrument of U.S. foreign policy. This is not necessary. You are all familiar with the twofold purpose of the aid program—the short-range purpose of meeting the challenges presented by the Communists on a day-to-day basis, and the long-range purpose of strengthening our national security by strengthening the security of the free world on a long-range basis. The short-term program, which accounts for more than half of the total funds spent under the aid program, consists primarily of assistance to our military allies, chiefly to countries that lie on the periphery of the Iron and Bamboo Curtains, countries like Korea, Vietnam, and Taiwan.

The long-range part of the aid program is primarily focused on economic and social development, the economic and social development essential for politically stable societies.

The cutting of \$1 billion from the foreign aid bill by the House is, as Secretary Rusk has pointed out, "both a false and costly economy." Such a massive cut could only have a disastrous effect upon the national security. As the Washington Post has pointed out:

It is the kind of penury that would bring joy to Moscow and dishearten friends and allies who look to the United States for

assistance vital to preserving national independence from the Soviet subversion.

Mr. President, I fully realize that many of my fellow Senators are becoming increasingly restive under the burden thrust upon them year after year, the burden of filling in the gap after the House has drastically cut the foreign aid appropriations bill. I am aware that many of my colleagues are becoming more and more unhappy at finding themselves in a position inviting attack on them as "big spenders." We are rightfully tired of being placed in this position year after year.

I share this feeling. Nevertheless, I feel compelled to remind my colleagues of the special responsibility placed upon the Senate by the U.S. Constitution in the field of foreign affairs. The urgency of the free world situation requires once again that the Senate exercise this special responsibility by restoring the foreign aid appropriations to a realistic level by supporting the restorations which the Senate Appropriations Committee has recommended.

Mr. President, I believe that the bipartisan record in support of the foreign aid program extending over 15 years offers some solace to those of my colleagues who are up for reelection this year. In fact, the leaders of both parties, both inside Congress and outside, leaders both in Washington and in the State capitols, are almost without exception supporters of a realistic foreign aid program. Former Presidents Truman and Eisenhower are firm supporters of foreign aid. Former Vice President Nixon and Governor Rockefeller, of New York, are longtime supporters of foreign aid. Charles P. Taft and his colleagues in the bipartisan American Council for Economic Development are supporters of foreign aid. The American voter has consistently chosen leaders who support the foreign aid program. I am confident that the American voter will continue to do so.

Mr. President, we all know that the House cut the administration's request for foreign aid by \$1,124 million. What did the Senate Appropriations Committee do? The Appropriations Committee restored \$792 million, bringing the total figure for the mutual security portion of the aid appropriations bill to \$4,421,600,000. What does this mean? You may recall that when the Congress passed the authorization bill on foreign aid this spring, it reduced the administration's request by \$200 million. In its action last week, the Senate Appropriations Committee approved a figure over \$330 million less than was approved by both the House and the Senate in the authorization bill. The bill before us today therefore represents a cut of more than \$500 million from the amount originally requested by the administration last spring.

What has happened in the meantime? In the meantime the situation in the Caribbean has grown worse. In the meantime the pressure on Berlin has been renewed. In the meantime the tempo of the struggle in Vietnam has quickened. In the meantime we have seen some progress in Africa—in the

Congo and Algeria. But nothing has happened to reduce the need for foreign aid funds. Let it be said that the Senate and the Senate Appropriations Committee have carefully considered the whole world situation, and in their deliberations have made what they consider to be prudent reductions. They have reduced the original administration request by over half a billion dollars. This is all the reducing this bill can stand.

Mr. President, I call to the attention of the Senate today five priority items in the foreign aid appropriation bill which merit special consideration by the Senate. Before doing so I would just like to comment briefly on several of the more spurious arguments advanced by those who have sought to emasculate this appropriations bill. They have claimed that there are already more than adequate funds in the "pipeline" to provide for another full year. This argument, of course, overlooks the fact that funds for the long-range development projects are never spent either here or abroad immediately after they are committed. If the standards that Congress has set up for the administration of the foreign aid program are to be met, there will always be a lag between the commitment of funds and the actual expenditures. Furthermore, the longer lag between authorization and expenditures is inevitable as the program shifts from a grant program to a long-term loan program. Grants can usually be expended rapidly. Loans for major capital projects, for basic development projects in health, highways, housing, and education extend over a number of years. Expenditures for such programs must be similarly extended.

It is therefore neither surprising nor alarming that as the development lending program increased rapidly in size during the past year, there has been a similar increase in unexpended balances.

Mr. President, one of the most crippling amendments made by the House in the foreign aid bill is that which sliced \$475 million from the allocation for development loans. This represents a 38-percent cut in the original request for \$1,205 million. You will recall that in the Act for International Development which we passed a year ago, one of the key provisions was that which shifted the bulk of our economic assistance from development grants to development loans. We made development loans the chief instrument for promoting the "Decade of Development." And you will further recall that these loans are to be repaid in dollars.

Mr. President, the original request for the development lending program for 1963 was for \$1,205 million. The House has cut \$475 million or 38 percent of the total from this program, leaving \$775 million. If this cut of \$475 million were to be sustained, we would in effect be permitting the reversal of a policy which we established last year. Both the Senate and the House agreed last year in passing the Act for International Development that the bulk of the aid program should be shifted from grants to

loans. This has now been done. We should not ask the aid agency to appropriate money for the loans. If this 38-percent cut were to be sustained, that is exactly what we would be doing.

In the Act for International Development passed 1 year ago, Congress authorized the President to make long-term commitments, up to 5 years, in situations when it seemed essential for a smooth functioning development program. The assumption was that the appropriation to fulfill these commitments would be forthcoming in future years.

Of the amount allowed by the House for development lending, \$775 million, at least \$660 million is already committed to India and Pakistan. Other commitments have been made to Nigeria, Indonesia and Tanganyika. If this cut is sustained, we will not be able to keep these commitments. In several cases, particularly India and Pakistan, our commitments are part of a multi-national effort. In the case of India and Pakistan, aid for these countries is being coordinated through consortia in which the United States pays only a fraction of the total amount committed. Failure to meet our commitments would jeopardize the willingness of other consortia members to keep their part of the agreement. It would also threaten the success of new consortia arrangements into which we have entered with Greece and Turkey, as well as multilateral assistance programs now being planned with Iran.

Mr. President, if the cuts recommended by the House were to be sustained in the area of development lending this would virtually end loans to the Far East. This would virtually end badly needed loans to Korea, Taiwan and the Philippines, countries which are strong friends of the United States and which depend upon U.S. support to build the viable economies that are necessary for political stability. I know that my many friends on both sides of the aisle who have long taken a keen interest in the affairs of the Far East, will be especially vigilant, especially determined in their efforts to restore the funds for this aspect of the foreign aid program.

Mr. President, I have seen no evidence which disposes me to change my views that development lending should be the heart of foreign economic assistance. The only way that it can remain so is to appropriate adequate funds so that it may operate effectively. Therefore, the Senate Appropriations Committee after examining all the evidence, restored \$350 million of the amount cut by the House. This still represents \$125 million less than the administration requested. The Senate must do all in its power to see that this amount is not further reduced.

Those of my colleagues who are particularly concerned about the current balance-of-payments situation should be aware that the development lending program does not have the adverse effects upon the balance-of-payments situation that are often alleged. The reason of course, is that most of the money allo-

cated is spent right here in the United States. In the area of the world which is currently receiving the largest amount of development loan money, the Near East and south Asia regions, approximately 93 percent of the money approved will be spent in the United States. This reflects the tendency to spend increasing amounts of U.S. foreign aid money in the United States.

According to current estimates, in fiscal year 1962, 73 percent of funds for economic aid on a worldwide basis will be spent directly in the United States. The target for the Agency for International Development for the near future is 80 percent. If military assistance programs are added to this figure, the amount spent in the United States for fiscal year 1962 rises from 73 percent to almost 78 percent.

Mr. President, you can see why the foreign aid program contributes so significantly to strengthening the U.S. economy. The aid program benefits the economy by directly financing exports, exports which are estimated to provide employment for over 700,000 American workers.

I would like to add that continuation of the development loan program at the levels requested by the administration is essential if we are to receive maximum participation by our capital exporting, industrialized allies in financing foreign aid. Although to many it may appear that the American taxpayer has borne the burden of foreign aid for too long, I can assure you that our efforts have not been in vain. Our example has inspired other industrialized countries to come forth with a larger and larger amount of assistance to the less developed other half of the world. Those whom we aided in 1948 and 1950 in Europe are now supplying a large share of the foreign aid funds for economic developments in Asia and Africa. In 1961 official foreign aid by other industrialized free world countries rose almost 24 percent over 1960. By comparison official assistance from the United States rose about 21 percent.

Furthermore, Mr. President, the terms of assistance by other countries has been improving. In 1961 aid loans and grants over 20 years in duration rose as fast in the other capital exporting countries as in the United States. Here again our friends and allies have followed our example.

Mr. President, probably no section in the whole foreign-aid bill should command greater attention from the Senate than the section dealing with the Alliance for Progress. We are now reaching the takeoff point in getting the entire Alliance for Progress program rolling. Over a year ago, the President committed this country to join the countries of Latin America in a 10-year program of development, and the overwhelming majority of Congress heartily approved it. After only 1 year, the Alliance for Progress is already bringing food to children in Peru, Chile, new schools and new houses for people of Colombia, land and new houses for campesinos in Venezuela. During the past few months we have seen the passage of tax reform legislation

in Colombia and Chile, of much-needed agrarian reform laws in Colombia and Venezuela.

In two countries, Colombia and Chile, long-range development plans have been drawn up and presented to the OAS wise-men for scrutiny and approval. Colombia, which has enjoyed 4 years of political stability and economic progress under President Albert Lleras Camargo, is currently under consideration by the World Bank, the Inter-American Development Bank, the United States and European countries, for consortium financing of its development plan. Colombia has met the requirements stipulated by the Congress for the Alliance for Progress, the requirements of tax and land reform, education and housing program, and a coordinated development program. The United States is disposed to give all possible support to this effort. In Chile, if reforms now being contemplated are pushed through to completion, similar concentrated assistance should be given.

The two examples I have cited give an indication that the AID administration is implementing the directive issued by Congress last September when it passed the foreign aid bill, that the Agency "take into account the extent to which the recipient country shows a responsiveness to the vital economic, political, and social concerns of its people and demonstrates a clear determination to take effective self-help measures."

In order to meet such needs as these, the President has requested \$600 million for the Alliance for Progress. The House has reduced this by \$75 million.

Last week the Senate Appropriations Committee restored \$50 million of the amount cut by the House.

Mr. President, although I would have preferred to grant the full \$600 million requested by the administration, I believe that the Appropriations Committee's action in restoring \$50 million is a fair and honorable compromise, and worthy of support by all Senators.

Mr. President, we hear a great deal of talk these days about the need for military action against Cuba, about the need for arming our allies in the Caribbean against subversion by Castro. This concern to protect our Latin allies against subversion is justified and warranted.

Containment of Castro does indeed require military preparedness. But our recognition of this fact should not blind us against recognition of one of the chief factors which propelled Castro to power in Cuba, a factor that could easily propel other Castros to power in other Latin American countries; namely Haiti, the Dominican Republic, and Nicaragua. Cuban society—like many other Latin American societies—was economically backward and socially regressive. The full effects of the technological revolution are now being everywhere felt in the Southern Hemisphere, spawning urban slums where abject poverty is accompanied by rootless despair. Fast behind this technological revolution is a social revolution which is sweeping the continent because restless millions will no longer accept ignorance, poverty, and disease as an inevitable way of life. If

we are to make sure that this social revolution will be a peaceful revolution implemented through democratic procedures, we must give responsible Latin American governments our wholehearted support. We have no time to lose in Latin America.

As the leader of one of the most progressive and democratic governments in Latin America, President Romulo Betancourt of Venezuela, has said, the time has come when "we must help the poor in order to save the rich." By supporting the bill which the Appropriations Committee has reported, we will be registering our firm support for those responsible governments who are now massively attacking the enemies of poverty, injustice, and hopelessness which characterize the lot of so many people in our hemisphere. By supporting the allocation recommended here for the Alliance for Progress, we will be advancing both economic development and social justice in Latin America. Unless social justice is achieved, no government will win the support of the masses. Unless economic development moves ahead, social justice will only mean sharing poverty. We can best promote both economic development and social justice in Latin America by supporting the restoration of funds for the Alliance which the committee has recommended. The Alliance is only 1 year old. Already progress has been made. Continued progress is dependent on adequate funds for financing the Alliance.

Mr. President, a third area in which the House action seriously weakened the Foreign Assistance Act is the contingency fund. This is required to meet unforeseen, unexpected emergencies. In fiscal 1962, for example, the fund helped bolster NATO forces during the Berlin crisis, provided vital resources to Vietnam to meet crises arising from increased Communist activity, averted a financial crisis in Colombia, and enabled the United States to give relief quickly when natural disaster struck.

The reduction of 25 percent recommended by the House could seriously hamper the President by lessening his flexibility to meet the challenges of communism anywhere in the world at a moment's notice. This cut would weaken the President's hands as we move into a period of characterized last week by Secretary McNamara as one of the most critical in world history. I strongly support the committee's action in restoring \$50 million to the contingency fund appropriation.

A fourth major section of the foreign aid bill which has been cut, is that for development grants. Our technical assistance programs, financed through development grants, constitute our major contribution to the development efforts of the newly merging nations of Africa. The President's request for this purpose was not large. Were we to allow the House reduction to stand, it would mean cooperatives, agriculture, and community cooperatives, agriculture and community development. It would be an open invitation to Mr. Khrushchev to move into Africa on a grand scale. Are we so anxious to toss away this part of the

world and lose one of the most important battles of the cold war? The Senate restoration of \$50 million is fully justified. It is really too little. More is actually needed. This restoration should have the support of all Senators.

The fifth major item in the foreign aid bill for which our Appropriations Committee has restored the sharp reduction in funds by the House is that for supporting assistance. Supporting assistance funds are coupled with military aid to underpin the economies of countries with heavy defense burdens. The President's request for this purpose was \$481.5 million. In the authorizing round, this amount was cut to \$415 million. The House voted a further slash of \$65 million. The Senate Appropriations Committee has restored \$50 million. The action of the committee should be supported.

Three-fourths of all supporting assistance goes to the Far East, one of the world's hot spots. Two-thirds is for Vietnam and Korea alone. These are two areas where we must not retreat, cut back, or lessen our efforts. If a proportionate allocation of the \$130 million cut was made on a regional basis, AID would be unable to meet the needs of Vietnam and Korea, not to mention other deserving nations.

About 20 percent of the supporting assistance money had originally been programmed for Turkey and Jordan. In Turkey, this money supports a large and vitally important military force on the flank of the Communist bloc. We get more dollar for dollar in Turkey than almost anywhere in the world. The Turks are brave people and loyal allies. Turkish soldiers fought bravely in the Korean war, and only last week Turkish Government took action to prevent Turkish vessels from carrying goods to Cuba. Jordan's very existence may depend on the support we can offer; and on Jordan's existence might well depend in part the peace and stability of the Near East. The House cut might well force a radical cut back in both programs.

Mr. President, there is not time today to cover all the important items in the foreign aid bill. I would, however, like to comment briefly on two final items which were slashed heavily by the House, military assistance and administrative funds for the foreign aid agency, the Agency for International Development.

The House reduced the military assistance program from the \$1.5 billion requested to \$1.3 billion, a cut of \$200 million. The Appropriations Committee has restored \$150 million, and is recommending a total of \$1,450 million for military assistance.

Quite frankly I would much prefer to see this additional \$150 million added to the development lending category. After the brilliant speech delivered here on August 2 by Senator GRENENING on the effects of military aid to Latin America, Members of the Senate should be highly skeptical about adding another \$150 million to the \$1.3 billion allocated by the House for military assistance. Some military assistance is needed, particularly on the perimeters of the Soviet and Chinese empires, but in other areas the

shipment of costly weapons makes no sense. In regard to Latin America, I would like to recall one passage in Senator GRENENING's remarkable speech:

After more than 10 years of U.S. military aid to Latin America, recent events have demonstrated beyond peradventure that in many of the countries U.S. influence in inculcating an ideology of civilian authority over the military is not a reality in the reaction of the Latin American army, navy, and air force officers and men to events in their own countries.

Most of the Latin American military leaders will continue to react to power struggles in their own countries in accordance with their own estimates of the situation, their own ambitions, their vested privileges, and their own heritage. Where military professionalism has really taken root in Latin America, the military's new concept of its role has developed from circumstances within the framework of their own institutions, not from the minute and transitory influence encountered in rubbing shoulders with U.S. military people.

Mr. President, one of the most important actions taken by the Senate Appropriations Committee was the restoration of \$6 million for administrative expenses of the AID Agency, the Agency for International Development. With this restoration of \$6 million the total for AID administration is \$52 million.

Unless the Senate prevails in restoring these funds, Agency operations will be paralyzed. If the House cut remained, the Agency's administrative staff will be cut back from slightly over 3,000 Americans to less than 2,000 Americans. Normal "bumping" procedures to effect such reductions means that at least one out of every two AID employees will be affected by the upheaval. The arbitrary dismissal of over 1,000 fully qualified employees at this critical time in the foreign aid program will not only affect the morale of all employees but will seriously curtail the Agency's ability to hire qualified personnel in the future.

The disruption of activities and the reduction of the manpower and other resources will be so critical as to make it impossible to administer the program effectively. The proposed cut will nullify the turnaround, reorganization and reorientation of foreign aid activities. The Agency's ability to plan, to organize, to execute, to inspect and to audit will be crippled. The preconditions for the wastage of funds greatly in excess of the amount of administrative appropriation will be established. It is therefore vitally important that the \$52 million approved by the committee be appropriated.

Mr. President, I would only like to add a final word on the Peace Corps. As I said in my speech last week on the first anniversary of the Peace Corps, we are probably getting more for our money here than in any other program. The Senate Appropriations Committee has restored \$10 million of the House cut, bringing the recommended total to \$62 million. I strongly urge the Senate to approve the full amount.

In the days ahead we shall have quite a struggle over our foreign aid program. As one who has carefully examined the program in the Foreign Relations Committee, and has spent hours at the com-

mittee's hearings, and as one who, as a member of the Appropriations Committee, has repeatedly met the Government officials responsible for the administration of the program, I have examined this program with meticulous care, because I wanted to see it effective. I want to get every bit of good we can get from every dollar that is expended.

To make this program effective, the Senate must insist that the restoration of funds made by the committee be allowed to stand.

Now, all of the facts I have just cited are only the more glaring instances of the kind of "economy" the House achieved with its vote 2 weeks ago. But I would also like to mention the amendments tacked on by the House which would ban aid to Poland and Yugoslavia and impose a mandatory curb on aid to any country shipping cargo to Cuba, amendments which the Senate Appropriations Committee has since deleted. These restrictions are pointless and irresponsible. The first has already been fought out and it is most discouraging to see our earlier vote on the matter reversed. Furthermore, whatever differences exist on shipments to Cuba can best be settled by working closely with our allies—without breaking up free world solidarity.

Let me say, Mr. President, that it is easy to total and itemize the House cuts in the aid bill, in specific dollars and cents. But there is something far more important involved than money. I refer to the immediate and inevitable loss of American influence, American prestige, and American strength which would follow were Congress to fail to reverse the House reductions, as is recommended by our colleagues on the Senate Appropriations Committee.

Today, the people of Communist nations are being called upon to sacrifice for the present in order that their ideology may triumph in the future. Their leaders have absolute faith and conviction that in the end their system will bury capitalism. Are we to deny that we possess greater purpose and faith and conviction? Have we so forgotten our own revolutionary past that we cannot be on fire for the even greater purpose of preserving and creating free societies in the world of tomorrow?

I believe we have not. As I said before, the American citizen has borne patiently the burden of foreign aid. In this forbearance, he is joined by his friends in the free societies of Western Europe. The French citizen pays out \$20 per year for foreign aid, in comparison to the U.S. citizen, who pays \$16 per year. I firmly believe that the American voter will continue to recognize the wisdom of that great American statesman, Ambassador Adlai Stevenson, when he reminded us last week on the 100th anniversary of Lincoln's Emancipation Proclamation that—

Our defense of freedom will be all the more stronger for being based not on illusions, but on the truth about ourselves and our world.

Mr. President, the truth about our world today requires continued sacrifice on the part of all citizens of the free

world. Sacrifice in this context means paying taxes for foreign aid. None of us likes to pay taxes. But as Justice Holmes used to say, "Taxes are the price of civilization." The taxes we pay today for foreign aid are small, less than 1 percent of our gross national product, but they are the price that must be paid if Western civilization as we know it is to survive, and if it is to be extended to others.

Mr. President, in my remarks today I have emphasized that support of foreign aid is in our own interest. It is indeed, and to many people, the ground of self-interest will appear as its principal, if not its only justification.

But I would hope—and indeed I am confident—that there will be others who will support this foreign aid bill for reasons beyond that of self-interest. I would hope that there will be those supporting foreign aid out of a desire to help the hungry, illiterate, diseased masses who did not have the good fortune to be born in the industrialized northern half of the world. I would hope there will be some supporting foreign aid because of a passionate desire to replace hunger with hope, disease with health, poverty with plenty, illiteracy with education. I am confident there will be those supporting foreign aid because charity, compassion, and justice are deeply rooted in the American tradition, because the consciences of many formed in this tradition tell them that the wealthiest society in the history of the world should share a small fraction of its wealth with the poor societies which are struggling to escape the age-old tyrannies of poverty, disease, and despair.

I yield 10 minutes to the Senator from Wyoming.

Mr. McGEE. Mr. President, I wish to address myself to two or three of the items referred to by the distinguished Senator from Wisconsin. First of all, I remind him and my colleagues in the Senate that the Committee on Appropriations has spent many tortuous hours trying to squeeze out of the requested appropriation every feasible nickel of what it regarded as excess money, and still preserve the fundamental national interest.

Even after the House cuts were made, the Senate committee cut \$332 million from the request of the administration.

The package which the committee has reported does not cover the critical areas left in the overall aid program, with respect to both the military and non-military basis of the program.

As we consider this subject, I believe that we discover from the testimony in the hearings, of the individuals who are responsible in these matters, that in the category of development grants, the category reserved largely for technical assistance in developing areas, flexibility is retained.

If we should adopt the cut which the Senator from Wisconsin advocates, it would leave us nowhere to go in terms of new developing areas.

The same thing can be said concerning the assistance program. About 80 percent of it goes to the triangular crit-

ical area in the Far East, with one anchor in Vietnam, the second anchor in Taipei, and the third anchor in Korea.

It was the combined testimony of the State Department and the military that this interdependence in the overall military capability program would be seriously jeopardized if a substantial slash in the assistance program were made, from the standpoint, particularly, of the buildup, in time, in support of our Far Eastern commitments.

The judgment that this was indeed critical was a rather persuasive aspect of the testimony.

In regard to the contingency fund, we must bear in mind where the potentially explosive areas lie. This is not a matter of having the money from the contingency fund committed or spent now, or of reconsidering it in January. It is a question of flexibility. This has been traditional in the executive department in fitting the contingency reserve, on an emergency basis, into the areas that pop up without prediction, or at least without prediction as to the time when we would be confronted with an emergency situation.

With regard to the Alliance for Progress, I was able, with a group of other Members of Congress, to look into the Alliance for Progress requests on the spot. We made an intensive study of the requests. We were struck by the fact that the feasible, measurable capability of using Alliance for Progress commitments far exceeded the proposal in the particular request that is being made at the present time.

One country, Bolivia, for example, had tangible requests approaching a billion dollars in an area that is extremely exciting in terms of capability. Obviously, we could not make a commitment in such proportions to one country.

We were likewise struck with the fact that the military phases of the Latin American program were not overextended or overrequested. We revised our former judgment as to the harshness of the military deductions with respect to Bolivia, Paraguay, and parts of Venezuela. We were rather impressed with the nonmilitary progress being made through military channels in civic actions. We had to keep a cautious eye on how the military fund was being used. We nonetheless took a more charitable view, overall, of most of the military activities, even though certain exceptions at the present time in Latin America seem to flout that view. I remind my colleagues that these are exceptions rather than the pattern in recent occurrences, overall, in Latin America.

In the development loans, the Senator from Wisconsin would make the largest cut. I believe we should bear in mind, in this connection, that these loans are calculated on minimal requirements; and while it is true that the interest is three-quarter percent and that the payment on principal involves a grace period of 10 years, and that these are long-term loans, this program is directed toward areas where normally private capital investment is rather reluctant to go. For that reason I believe we must make them in good faith and in the spirit in

which they have been launched; in other words, that they are calculated to be made in areas where there will be a reasonable expectation of repayment. These nations, I hasten to interject, begin paying their interest immediately upon the completion of the loan; there is no grace period with respect to that.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. PROXMIRE. Is it not true that the three-quarter percent is not an interest payment, but a service charge, because it would cost at least that much to administer it. It would cost our government at least 4 percent to borrow that money. Therefore, the interest subsidy is complete. To say that they start to pay their interest promptly, when they pay only three-quarter percent, is not meant to suggest, I am sure, that they pay any significant part of the cost of the money that is committed.

Mr. McGEE. That is correct, in our terminology. Any interest rate, however, that is charged by a bank in this country, includes its service operations for the most part. For our purposes, we attempt to get cheap money out to an area that has no other resources. This is a program to which we have been saying for so many years that we wish to shift. This is the launching, after a very brief interval of time, of a substantial shift, at the recommendation of Congress, from an outright grant program to the beginning of what will be developed into a substantial loan program. We are about to give it a real chance to work, because the focus of our congressional concern has properly shifted away from an outright grant program.

As far as the other part of the appropriation is concerned, I wish to address myself in particular to the suggestion of the Senator from Wisconsin with respect to the participation of our European friends in the program.

This body has been properly concerned with the allies in Western Europe who are now prospering but who do not seem to be doing as much as they ought to be doing to help the United States carry its load. I think the record is clear on this score. The kind of blandishments we have brought to bear upon them and the kind of urging that Congress has done toward the further participation of our European allies, are on the ascendancy. To be sure, such participation has not risen as rapidly as we had hoped, but it is on the way up.

The increase in percentage of the total that is being contributed by our friends in Europe in the past few years has been in proportions that far exceed our own.

I think we must exercise patience in bringing our allies around. We must realize that allies are allies; they are not satellites. We cannot compel them to do what we want them to do.

Our gains have been substantial. They have worked with us and have made excellent contributions. The contributions of our allies in Western Europe to the overall aid program has humped from a little under \$900 million

to \$2,900 million in this interval. That is an increase of more than 100 percent. That increase has steadily mounted. It has not been a matter of rising or falling in the cycle of the foreign aid project, but it has been an overall doubling of their contributions. Their contributions have steadily risen. We have no reason to doubt that they will discontinue this steady rise. I believe it will rise still more and still faster, because I think our allies are in a position to carry a large segment of the load.

The total our European allies have contributed will but increase economic development around the world. It has increased considerably more rapidly than the \$1.9 billion I have just suggested. It approaches \$5.9 billion.

We are on our way, and I believe that at this time we should not tend to slacken the momentum of the program, in the fear that because our allies are not doing as much as we would like them to do, therefore, we ought to reduce our amount of contribution. The truth is that the total impact is of such urgent national concern that even if we had to act alone, we would be compelled to do so under many severe circumstances. The greater the degree to which we get help, the greater our staying power over the long pull will be. I hope that we will not interrupt the momentum of the program at such a critical moment as this, when events indicate that we should act decisively, hit hard, and move faster, rather than try to cut back.

Mr. PROXMIRE. Mr. President, can the Senator justify the amount involved in the program for France, Germany, Italy, and the United Kingdom, countries which are doing exceedingly well—especially the first three—whose standard of living has increased more rapidly than our own, and who tax their people for defense purposes more lightly than we do?

Mr. McGEE. While their taxes for defense purposes are less—and the actual figures, as the Senator will understand, are classified—their participation has risen substantially; and the proportion, in terms of gross national product of those countries, has likewise gone up, and at a rate greater than our own.

Mr. PROXMIRE. Still, there is in the bill an item for \$314 million for military assistance to Europe.

Mr. McGEE. The \$314 million for military assistance for Europe includes \$80 million plus for infrastructure in NATO. It includes multilateral programs in the development of armaments, in which we participate, and from which we get a return by reason of our participation in NATO. Our overall contribution in Europe has taken a decline.

The great bulk is by reason of our multilateral commitments in NATO. Our witnesses computed that there is very much of a decline, still on a bilateral basis, again, in individual countries in Western Europe.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. Not on my time.

Mr. McGEE. I yield half a minute to the Senator from Minnesota.

Mr. HUMPHREY. One of the large items is for the infrastructure of NATO. Since the figures are classified, we cannot go into the exact amount. But a considerable amount has been designated for Italy, Norway, and several other countries. France is now making a greater per capita contribution to foreign aid than is the United States.

Mr. McGEE. The committee was very much struck with the force of the testimony of the military that many of the military commitments for the security of the West have come to depend less upon nonmilitary economic development in areas which are regarded as being at a critical stage in the package now being submitted.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the distinguished Senator from Louisiana.

Mr. ELLENDER. Mr. President, during the hearings before the Senate Appropriations Committee on the pending bill, we again head a parade of witnesses, including our Joint Chiefs of Staff, Secretary of Defense McNamara, and other high administration officials, who told us the same old story we have been hearing for the past 4 or 5 years. They went through the same old arguments as to why the Senate should appropriate the full amount of these inflated requests.

The Senator from Wisconsin [Mr. PROXMIRE] correctly stated to the Senate only a few minutes ago that the amount requested for military assistance in Western Europe under this bill is more than \$300 million. But he failed to say that almost \$900 million is already authorized and is in the pipeline for this section of the globe.

I think it shameful for our country to continue to give assistance in such proportions to a section of the world which is able, or should be able, to take care of itself.

Mr. President, I have also proved many times in the past that much of the money made available to underdeveloped countries under this program has been actually wasted. Why? Because we have given too much. We have placed too much in the hands of people who are not capable of administering such huge sums of money.

Let me refer to the latest report which was made last week by the General Accounting Office, Congress' official watchdog. I quote from the report made on September 27:

The disproportionate success of the program is attributable to several interrelated causes. Most notable, in our opinion, is that the level of aid, which averages in excess of \$200 million annually, was beyond the capacity of the Korean economy to absorb productively or of its government to administer efficiently.

I have been presenting such facts to the Senate for the past 7 or 8 years. At that time I complained of what was taking place in Korea. Nobody listened to me. In fact, I came in for quite a bit of newspaper criticism for my remarks. But the facts are in the record. It required a handful of students to deal with Mr. Syngman Rhee, and it was only after Syngman Rhee was put out of

office that our own people realized the losses, the graft, and the corruption that was going on in Korea.

Notwithstanding the fact that we have spent in Korea in excess of \$5 billion up to now, the bill provides for more than \$500 million for Korea. I think it is shameful to make that vast sum available to that section of the world.

Mr. President, today we have in Korea 2 divisions, and we are sustaining 18 divisions of local troops. But, Mr. President, do you realize how many troops from other countries are there? There are 2 soldiers from Australia—not 2 divisions, but only 2 soldiers; 2 soldiers from New Zealand; 2 soldiers from Canada; 25 soldiers from the United Kingdom; and the rest—making a combined total of about 500 soldiers—are from Ethiopia, Greece, and Turkey. And, to add insult to injury, we are paying for all the logistics of those men, with the exception of the 25 soldiers from the United Kingdom, the 2 from Canada, the 2 from New Zealand, and the 2 from Australia. What suckers we are. And why is it being done? It is to give the semblance of United Nations action, when we are carrying the whole burden.

I ask unanimous consent to insert a summary of the findings and recommendations of the report at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

#### SUMMARY OF FINDINGS AND RECOMMENDATIONS: OVERALL OBSERVATIONS

The conditions disclosed by our examination require the conclusion that the aid program in Korea during the fiscal years 1957 through 1961 was considerably less successful in advancing the economic progress of the country than was reasonable to expect from a program of such substantial financial magnitude. A similar conclusion was expressed by the Office of the Inspector General and Comptroller in its report issued shortly before our examination. Further affirmation of this conclusion is clearly evident in the proposed foreign aid program for fiscal year 1962 presented to the Congress by the U.S. executive branch. This unanimity of judgment from these separate sources demonstrates clearly the urgent necessity of concentrating on the causes which led to this judgment to the end that the program may move toward more satisfying economic results.

The disproportionate success of the program is attributable to several interrelated causes. Most notable in our opinion, are that the level of aid, which averaged in excess of \$200 million annually, was beyond the capacity of the Korean economy to absorb productively or of its Government to administer efficiently, and was a disincentive to the prudent use of both Korean resources and U.S. aid funds; that technical skills in Korea were admittedly limited, and that these facts were not sufficiently recognized in the annual programming of aid. We believe that the combination of these causes was the root of the program's shortfall in economic progress. Moreover these causes undoubtedly aggravated certain basic weaknesses in the Korean economic and political structure, which in themselves handicapped the program. Acknowledged large-scale corruption in Korea and the country's meager experience in government responsibility and administration, together with resulting po-

litical instability, weakened the moral fabric of business practice and stultified the growth of the country's economy.

The PRESIDING OFFICER (Mr. CANNON in the chair). The 5 minutes yielded to the Senator from Louisiana have expired.

Mr. McGEE. Mr. President, will the Senator from Minnesota yield some time to me?

Mr. HUMPHREY. I yield 2 minutes to the Senator from Wyoming.

Mr. McGEE. I thank the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 2 minutes.

Mr. McGEE. Mr. President, I know of no one who has contributed more to tightening up the whole program and squeezing out the unnecessary amounts than has the Senator from Louisiana [Mr. ELLENDER]. As he knows, at the meetings of the committee we have had some disagreements; but the goal remains the same.

I remind Senators that in our overall assault on the question which perplexes us around the world, we cannot measure the total effect by considering only what our allies may be doing with us in Vietnam or in Korea, because the ramifications of this problem extend clear around the globe. Therefore, what the British or French may be doing in West Africa or in the Mediterranean countries or what another ally of ours may be doing in some other part of the world weighs in the over-all balance in regard to our hope that we may be able to stop the erosions and encroachments of communism; and certainly in the assault on this question, we must count on their participation. I believe we sometimes lose sight of the impact of the assistance our allies have given in other parts of the world.

I remind the Senator from Wisconsin, who opposes these committee amendments, that we would make a mistake if we had the impression that all loans made under the program are long-term loans.

The PRESIDING OFFICER. The time yielded the Senator from Wyoming has expired.

Mr. McGEE. Mr. President, may I have 1 more minute?

Mr. HUMPHREY. I yield an additional minute to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 1 more minute.

Mr. McGEE. I point out that last year, \$340 million of our loans were for more than 20 years; \$385 million of them were for less than 20 years; and \$298 million of them were for periods between 5 years and 10 years. So I think it well not to distort the impact of the loan program.

Finally, in referring to the pipeline to which the Senator from Louisiana has referred in commenting on our aid to Western Europe, I believe we should point out, in all fairness, that some of the delay in connection with the pipeline arose from the shift to the new program. We have new weaponry and new break-

throughs which require much more delivery time than was previously required. In addition, a year ago we lost from the pipeline the diversions which had to take place because of the Berlin buildup; and that may happen again.

The PRESIDING OFFICER. The additional time yielded to the Senator from Wyoming has expired.

Mr. McGEE. Mr. President, may I have 1 additional minute?

Mr. HUMPHREY. Mr. President, I yield 1 more minute to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 1 more minute.

Mr. McGEE. I thank the Senator from Minnesota.

Mr. ELLENDER. Mr. President, will the Senator from Wyoming yield?

Mr. McGEE. I yield.

Mr. ELLENDER. As to the pipeline, I point out that this situation exists in the case of three countries—the United Kingdom, Italy, and Japan. They are the only three countries in which the new instruments of war are being manufactured; and, as I shall show later, they are within the 22 months.

Mr. PROXMIRE. Mr. President, I yield myself 1 minute and a half.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 1 minute and one-half.

Mr. PROXMIRE. Mr. President, the excellent and eloquent statement made by the Senator from Louisiana [Mr. ELLENDER] seems to me to be absolutely unanswerable. I did not include the \$900 million in the pipeline for military assistance. When we add that to the \$314 million of military assistance for Europe, the total for Europe is over \$1 billion; and, as I have said, the European economies are well able to handle this situation.

Mr. President, I am not asking that the program be gutted or destroyed or ended—even though many persons have argued that that would be the effect.

I know this program is not popular, and we should be willing to exercise some prudence in regard to it. I say a case has not been made for spending \$4,500 million this year—more than we spent on this program last year. If economy means anything, Mr. President, certainly we should provide for economy in a foreign-aid program which has been so feebly justified.

The Senator from Minnesota [Mr. HUMPHREY] and the Senator from Wyoming [Mr. McGEE] are two of the most eloquent and forceful Members of the Senate; but I am sure that anyone who reads their remarks will find that, despite all their force and rhetoric, there is very little citation of chapter and verse to support their position in behalf of spending the additional amounts for which the Senate Appropriations Committee is requesting the Senate to vote.

Mr. President, I earnestly hope these committee amendments will be rejected.

Mr. MILLER. Mr. President, will the Senator from Wisconsin yield briefly to me?

Mr. PROXMIRE. I yield one-half a minute to the Senator from Iowa.

**THE PRESIDING OFFICER.** The Senator from Iowa is recognized for one-half a minute.

**MR. MILLER.** Mr. President, in connection with the Alliance for Progress program and the proposed appropriations for it, I ask unanimous consent to have printed at this point in the RECORD an article—which was published yesterday in the Washington Star—entitled “Latin America Stirred Little by Alliance for Progress.”

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LATIN AMERICA STIRRED LITTLE BY ALLIANCE FOR PROGRESS

(By George Sherman)

From the vantage point of Latin America the Alliance for Progress has become a hand-wringing operation of meaningless words and unkept promises.

It lacks ideological drive. It lacks hemispheric organization. It lacks commitment from anyone below a limited number of top-flight economic planners.

In country after country on the southern continent you find appalling ignorance of even the most basic concepts of the Alliance. Indeed, the inquiring North American visitor soon begins to feel self-conscious about discussing it.

Politicians can reel off all the slogans of reform by heart, but few have any clear idea how they are to be put into practice. Their constituents who are supposed to mobilize the pressure for these democratic reforms, do not even know the slogans.

“It is absolutely amazing,” said a North American student who was part of a YMCA work group spending the summer in the slums and universities of various capitals. “These young people do not even know that their governments have committed themselves to work jointly with the United States on social and economic reforms.”

We talked in front of a crowded bus terminal in the center of Buenos Aires. All around young Argentines were busy saying emotional farewells to their North American helpmates.

NEVER HEARD OF CHARTER

“We stayed up to 3 o’clock this morning arguing,” the young man continued. “We took out the Charter of Punta del Este and went over it point by point. Most had never seen it before.”

This charter, signed in Uruguay in August 1961, by all American countries except Cuba, was to become the blueprint for progress in Latin America. It sets minimum economic growth rates, plans for eliminating illiteracy, health standards over a 10-year period.

But in the year since Punta del Este the Alliance has quietly turned into a North American operation. Its aims and prospects are much better known in the United States than in Latin America—where the progress is to take place.

WAILS BARELY HEARD

Wails of everyone from Senators to businessmen over how the U.S. tax dollar should or should not be spent reach South America like faint echoes from another world. In Latin ears they are just more fuss and fury over another billion-dollar aid program.

U.S. architects of the Alliance readily admit this shortcoming. Theodore Moscoso, U.S. Coordinator of the Alliance, said only yesterday in a speech at Marquette University: “I am convinced that the greatest need of the Alliance today lies in this psychological field.”

“In Latin American eyes,” he continued, “the Alliance is something far away, up north, buried under mountains of papers in the offices of Washington bureaucrats.”

The more important question is, Why has so little been done to create the “popular mystique” the Alliance so badly needs? The answer lies partly in the complexities of trying to raise this vast underdeveloped continent by its bootstraps overnight.

But much of the answer also lies in the incompetence and foot dragging of Latin American leaders both here and in their own countries.

UNITED STATES CAUGHT IN VISE

The United States is caught in a gigantic vise. On the one hand, we have committed ourselves to over \$1 billion a year in aid to Latin America during the 1960’s. This commitment means the right to pass on programs and projects and a huge technical bureaucracy to implement those judgments.

On the other hand, the desire is to destroy the image of a “North American giveaway program.” That means sharing responsibility with Latin American bureaucracy which is woefully incapable of shouldering those responsibilities.

The resulting ambivalence shows up with striking clarity in the public information program of the Alliance. No other area has been so disastrously handled. In Latin America, propaganda for Alliance aims is all but nonexistent; in North America the need has been almost totally overlooked.

Comparison with the Marshall plan immediately springs to mind. In 4 years—between 1948 and 1952—the U.S. Congress specifically set aside \$100 million in counterpart funds to promote Marshall plan aims through newspapers, television, discussion groups, and labor unions in Western Europe.

NO FUNDS FOR PUBLICITY

To date the Kennedy administration has not requested nor has Congress appropriated one penny for the same type of program in Latin America. The Agency for International Development is prohibited by law from carrying on information activities. That is now the bailiwick of the USIA, but its budget has not been substantially increased to handle Alliance for Progress information.

The result is overworked public information officials. AID officials religiously churn out press releases on various approved aid projects with no confidence they will ever see the light of day in Latin America. Public information attachés in U.S. embassies lobby local newspapers while carrying on myriad other activities—including distribution of comic books on the horrors of Castro Cuba.

But the main responsibility for propagandizing the Alliance in Latin America falls to the Organization of American States. The Charter of Punta del Este specifically places it there. Yet the OAS Secretariat, under Secretary General Jose Mora, has moved at a snail’s pace.

NO MONEY PUT ASIDE

The Budget Committee of the OAS has not put aside any money for a special information program. In March—6 months after Punta del Este—the Secretary General finally convoked a “committee of public information experts” to advise on what should be done. That meeting was paid for out of the \$6 million Social Trust Fund given the OAS by the United States last year.

After 12 days of deliberation here, the six Latin experts advised that national committees for public information should be set up in each country. Leading representatives were to be drawn from every sector of life—news media, business, professions, universities and labor. They were to have local subcommittees throughout each country. An OAS office in each capital was to act as clearing house for Alliance information from all other countries.

The Council of the OAS duly approved the plan. Today—another 6 months later—exactly one national committee, in Ecuador,

is in operation. Two others—in Colombia and Venezuela—are about to be set up. Local subcommittees exist nowhere. OAS offices are just beginning their “clearing house” operations.

INFORMATION CHIEF NAMED

To remedy this lag, Secretary General Mora has appointed a new Assistant Secretary General to coordinate information, science and education affairs. He is Jaime Posada, a young and dynamic Colombian who was minister of education under former Colombian President Lleras Camargo.

Mr. Posada has promised to speed up organization of the national committees and to open and expand the OAS offices throughout the capitals of Latin America. Mr. Moscoso has promised him \$1.5 million toward those ends from the Alliance for Progress appropriations currently being debated by Congress. But he needs more.

WARY OF OVERSELLING

But Mr. Posada and his counterparts throughout Latin America are noticeably wary of taking a Madison Avenue “oversell” approach to the Alliance for Progress.

“We do not want to raise hopes we cannot fulfill,” said one of President Rómulo Betancourt’s advisers in Venezuela. “Programs like school building and house construction take time to complete. Many have not even begun.” He thought for a minute.

“But you may be sure that when we have some tangible evidence of progress under the Alliance, we shall publicize it to the hilt.”

The critics of this approach answer that surely a middle ground must exist between “oversell” and the present “nosell.” They argue that you cannot create the national climate of involvement and sacrifice essential for the Alliance without raising hopes. An aroused public, they say, is indispensable to get the reforms necessary to finance the vast house and school-building programs.

It is fundamentally a political question. The premise of the Alliance for Progress is that reforms can be instituted democratically with U.S. aid. But at the moment the Alliance means next to nothing to the Latin publics who are supposed to generate the pressure on their governments to implement it.

**MR. PROXMIRE.** Mr. President, I yield to the majority leader the remaining time under my control.

**MR. MANSFIELD.** Mr. President, once again the Senate is faced with the task of appropriating funds for carrying on this Nation’s vital foreign-aid program. The bill now before us is the result of long and careful consideration by the Senate Appropriations Committee. Although it does not provide as much money as the administration feels is necessary to carry out an effective aid program, it nevertheless is a bill with which it can live. Any further reduction by the Senate, however, would not be in the best interests of the United States.

Mr. President, I do not maintain that there is anything sacred about foreign aid. I have been critical of aspects of our program in the past, and I shall continue to be critical whenever I think criticism is warranted. I, too, look forward to the day when the international situation will be such that our aid can be cut back or eliminated. Until that time comes, though, we must take care to avoid an indiscriminate slashing which would reduce the program to impotency and would endanger the peace and security of the United States. Wholesale cuts which do not take into consideration

the unique problems of each country or region not only show lack of understanding of the Nation's position in the world, but would do serious harm by denying to the President a measure of flexibility which he so sorely needs in the conduct of our foreign affairs.

Those who would drastically reduce or eliminate foreign aid, while failing to recognize the dramatic impact which it has had in areas such as Western Europe, seem to be saying that the peril of communism along the frontline of defense has abated. Yet, in the same breath, they are critical of the President for not stopping communism wherever it may seek to spread.

Mr. President, I submit that they cannot have it both ways. If the danger exists, then this Nation cannot afford the luxury of neglecting its frontlines. If this frontline of defense were allowed to fall into disrepair, then our only alternative to trouble anywhere in the world would be the use of our own force and, perhaps, nuclear warfare, which would put the frontline right in our front yards. Is that what is wanted? The amount we spend on foreign aid each year, compared with the many billions of dollars spent on maintaining our military establishment, is a small enough price to pay for an alternative to war.

The figure recommended by the committee represents a minimum which the Senate should seek to provide if it is to be prudent in its regard for the Nation's security.

I point out that, if the committee's figure were accepted, the subject would be subject to conference between the two Houses. I would anticipate, following the usual procedures, that the difference would be split in half.

I urge my colleagues to accept this proposal.

Mr. HUMPHREY. Mr. President, how much time remains on the amendments?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The time on the amendments has expired.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be not taken from either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. In light of the unanimous-consent agreement, am I correct in stating that a "yea" vote would sustain the Senate Appropriations Committee?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. And a vote of "nay" would bring the figures back to the House recommendations?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. I thank the Chair. I ask that the clerk call the roll.

The PRESIDING OFFICER. The yeas and nays on the amendments have not been ordered.

Mr. HUMPHREY. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments on page 2, lines 5, and 13; page 3, lines 6, 8, after line 8, and line 19; and page 4, line 11.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Ohio [Mr. LAUSCHEL], the Senator from Washington [Mr. MAGNUSON], the Senator from Oklahoma [Mr. MONROONEY], the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. GORE] would each vote "yea."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from Tennessee would vote "yea."

On this vote, the Senator from Florida [Mr. SMATHERS] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Florida would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Oklahoma [Mr. MONROONEY] is paired with the Senator from South Dakota [Mr. BOTTUM]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from South Dakota would vote "nay."

On this vote, the Senator from Washington [Mr. MAGNUSON] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Washington would vote "yea."

On this vote, the Senator from Alabama [Mr. HILL] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Alabama would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Indiana [Mr. HARTKE]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Indiana would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is detained on official committee business.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Florida would vote "yea."

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Oklahoma [Mr. MONROONEY]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Oklahoma would vote "yea."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Washington would vote "yea."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from New York would vote "yea."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Kentucky would vote "nay," and the Senator from Pennsylvania would vote "yea."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Alabama [Mr. HILL]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Alabama would vote "yea."

The result was announced—yeas 47, nays 28, as follows:

[No. 293 Leg.]

YEAS—47

Aiken	Hartke	Muskie
Allott	Hayden	Neuberger
Bartlett	Holland	Pastore
Beall	Humphrey	Pell
Boggs	Jackson	Prouty
Bush	Keating	Randolph
Byrd, W. Va.	Kerr	Saltonstall
Cannon	Kuchel	Smith, Mass.
Carroll	Long, Mo.	Smith, Maine
Case	Long, Hawaii	Sparkman
Church	Mansfield	Symington
Cooper	McCarthy	Wiley
Dodd	McGee	Williams, N.J.
Engle	McNamara	Yarborough
Fong	Metcalf	Young, Ohio
Hart	Moss	

NAYS—28

Bible	Hickenlooper	Proxmire
Burdick	Jordan, N.C.	Robertson
Butler	Jordan, Idaho	Russell
Byrd, Va.	Long, La.	Stennis
Carlson	McClellan	Talmadge
Curtis	Miller	Thurmond
Eastland	Morse	Williams, Del.
Ellender	Mundt	Young, N. Dak.
Ervin	Murphy	
Goldwater	Pearson	

## NOT VOTING—25

Anderson	Fulbright	Lausche
Bennett	Gore	Magnuson
Bottum	Gruening	Monroney
Capehart	Hickey	Morton
Chavez	Hill	Scott
Clark	HRuska	Smathers
Cotton	Javits	Tower
Dirksen	Johnston	
Douglas	Kefauver	

So the committee amendments, previously described, were agreed to.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The CHIEF CLERK. On page 7, after line 2, it is proposed to strike out:

SEC. 107. (a) None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or permits ships under its registry to deliver arms, ammunition, implements of war, or other goods, wares, and merchandise to that regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nations whose ships are used to transport any military or economic supplies to that regime.

(b) None of the funds appropriated in this title shall be available for assistance to any country which permits vessels registered, enrolled, licensed, or otherwise documented under its laws to transport to Cuba, so long as it is governed by the Castro regime, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies contained on the list (known as the "positive list") maintained by the Secretary of Commerce of commodities with respect to which an export license is required under the Export Control Act of 1949.

And, in lieu thereof, to insert:

SEC. 107. (a) None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose ships are used to transport any military or economic supplies to that regime, unless the President determines that the withholding of such assistance to such country, or the nonpayment of such expenses of transportation, would be contrary to the national interest, and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives.

(b) None of the funds appropriated in this title shall be available for assistance to any country which permits vessels registered, enrolled, licensed, or otherwise documented under its laws to transport to Cuba, so long as it is governed by the Castro regime, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and

items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest, and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives.

Mr. ELLENDER. Mr. President, is that the second series of amendments?

The PRESIDING OFFICER. It is the second committee amendment.

Mr. ELLENDER. Is that the amendment proposed to be stricken by the Senator from Wisconsin? I understood the Senator from Wisconsin [Mr. PROXMIRE] desired to have the Senate consider three separate groups of amendments.

The PRESIDING OFFICER. Under the agreement there will be three separate votes. This is the second amendment.

Mr. ELLENDER. This is the second group of the amendments?

The PRESIDING OFFICER. Yes.

Mr. ELLENDER. On which there is to be limited time?

The PRESIDING OFFICER. Yes.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wisconsin will state it.

Mr. HUMPHREY. Mr. President, is time running?

The PRESIDING OFFICER. Time will begin to run with this amendment, now.

Mr. PROXMIRE. Mr. President, I yield myself 1 minute for the purpose of making a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROXMIRE. The amendment provides that the language in the bill, on page 7, is to be deleted on the basis of the committee recommendation, and that language is followed by italicized language on the remainder of page 7, all of page 8, and through line 6 on page 9.

What would happen is that the language on page 7, lines 3 to 23, would be restored, and the following italicized language would be eliminated. Is that correct?

The PRESIDING OFFICER. If the committee amendment were rejected, that would be the effect.

Mr. PROXMIRE. If the committee amendment were rejected, it would have the effect stated.

The PRESIDING OFFICER. That would be the effect.

Mr. PROXMIRE. I thank the Presiding Officer.

The PRESIDING OFFICER. The allotted 1 minute has expired.

Mr. HUMPHREY. Mr. President, I yield myself 1 minute.

Mr. BUSH. Mr. President, may we have an explanation of the amendment?

Mr. HUMPHREY. The parliamentary situation now is that we are voting separately upon the particular committee amendment to the bill which has been stated. The Senator from Wis-

consin in his request excluded that part of the committee amendment from being included as original language in the bill. Therefore, if the will of the Senate is to support the considered judgment of the committee in that language, the Senate will vote "yea." If the will of the Senate is to strike that language and go back to the House language, Senators will vote "nay." The Senate Appropriations Committee inserted that language as a limitation because of the strong feelings of the President, the Secretary of State, and those who are responsible for our security in terms of the military and our diplomacy.

It is my view that this language is much better than that of the House. It would give the President some discretion. It would not foreclose him from making some decision in terms of our own national interest relating to our allies in other countries that might ship certain commodities into Cuba. That is what it is about.

The language is quite specific. It provides:

SEC. 107. (a) None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose ships are used to transport any military or economic supplies to that regime, unless the President determines that the withholding of such assistance to such country, or the nonpayment of such expenses of transportation, would be contrary to the national interest, and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives.

That is the first item. In other words, some discretion would be left to the President. I cannot imagine that we would remove that.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEFAUVER. The senior Senator from South Carolina and I were in a conference committee and did not hear the bell for the vote that has just been finished. I ask unanimous consent that the RECORD show that if the Senator from South Carolina were at liberty to vote, he would vote "yea," as I understand. If I were at liberty to vote I would vote "nay."

Mr. HUMPHREY. If the Senator had wished to support the Senate Committee on Appropriations, he would have voted "yea." If the Senator wished to cut back to the House figures, he would have voted "nay."

Mr. KEFAUVER. I would have voted "yea." I understand the Senator from South Carolina would have voted "nay." But we were in a conference committee and were not notified of the vote that was taking place.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that a unanimous-consent request would not lie. The Senator can state how he would have voted, but the RECORD cannot be otherwise changed.

Mr. HUMPHREY. There will be recorded in the RECORD a pair between the Senator from Tennessee [Mr. KEFAUVER] and the Senator from South Carolina.

Mr. JOHNSTON. Mr. President, we were in the conference room. The bell did not ring in that room. We did not know about the vote until other Senators who had voted came into the room and told us about it. We were both interested in voting. The Senator from Tennessee was interested in retaining the amount in the bill; I was interested in cutting it down.

Mr. HUMPHREY. Mr. President, that is what is called a dead pair for two very live Senators who are on the job. I think that statement ought to satisfy everyone.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Does the Senator from Minnesota know how many countries would not be covered by the amendment?

Mr. HUMPHREY. I do not, I regret to say.

Mr. AIKEN. I assume that the amendment would cover Canada, Mexico, Greece, Italy, and virtually all the NATO countries.

Mr. HUMPHREY. It would.

Mr. AIKEN. It would include almost all other countries as well.

Mr. HUMPHREY. I imagine it would. Many of those countries are our stanchest allies and best friends. The amendment was not written into the bill through accident. Excluding myself for a while, the Committee on Appropriations consists of some of the most experienced and able Senators. The provision was written into the bill after very careful consideration and after a specific request had been received from the administration.

Mr. AIKEN. I wondered how many countries besides the United States would adhere to that principle.

Mr. HUMPHREY. Of not shipping?

Mr. AIKEN. Yes.

Mr. HUMPHREY. I believe several countries have already stopped shipments. Turkey has already stopped making shipments. West Berlin has stopped its shipments.

Mr. AIKEN. Nationalist China, in all probability.

Mr. HUMPHREY. Nationalist China has stopped making shipments. I presume there will be others.

Mr. CURTIS. Mr. President, will the acting majority leader yield for a question?

The PRESIDING OFFICER. The Senator from Minnesota has expended 6 of his allotted minutes.

Mr. HUMPHREY. Mr. President, I yield myself 1 additional minute.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CURTIS. Is the essential difference between the House language and the committee amendment the fact that the committee amendment would grant discretion to the President?

Mr. HUMPHREY. That is the fact. The Senator has summarized the situation concisely and to the point.

Mr. CURTIS. The House language would require an absolute bar.

Mr. HUMPHREY. Yes; absolutely—a complete bar.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. What is the parliamentary situation?

Mr. HUMPHREY. The Senate is operating under controlled time. I have yielded myself 1 additional minute.

Mr. KEATING. There is something to be said for lodging a degree of discretion in the President if he finds in the national interest that aid should be given to a country, because the aid being given to some of our allies is of purely a military character, which is for our defense as much as theirs. However, I desire to ask the Senator the following question: My understanding is that if the language remains as it is in the bill, it would still be open to amendment by the addition of other language to that section.

Mr. HUMPHREY. The Senator is correct. Once the language has been established as committee language in the bill, the bill will later be open to amendment as if it were original text.

Mr. KEATING. I should like to see a provision that would require the President, if he should make such a determination, to report that fact to the two committees mostly concerned in both bodies. But I believe that if a report is made that aid has not been discontinued to countries that might be helping the Communist regime in Cuba, the reason should be given and they should be made public. I would recommend some language, which I would hope the committee would accept, to provide that any reports made by the President under that section shall be published in the Federal Register and shall be available to the public.

Mr. HUMPHREY. The Senator has a good point. But the kind of amendment he would propose should come after the particular preliminary procedure we are following has been completed. In other words, what we are trying to do now is to establish the committee language as if it were original text, and then the bill will be open to amendment later.

Mr. KEATING. I agree with the Senator. The point is that other Senators might share my view. If such an unusual situation should develop that the President would find it necessary to make such a determination, others might feel as I do, that the public should be given the facts.

Mr. HUMPHREY. I feel that they should, and, as a member of the committee, I shall cooperate with the Senator, so that the record may be clear.

Mr. KEATING. I appreciate the Senator's response.

Mr. AIKEN. Is not such a provision already in the law? I recall that when Canada desired to purchase unloading equipment for use in shipping wheat to Red China, the President had to make the finding—and the finding was made public—that the bolstering of the Canadian economy would strengthen our security more than the delivery of the wheat to Red China would strengthen

the Communists. I wondered if such a provision would cover the present situation.

Mr. KEATING. That may have been a matter of policy. I fear that without the inclusion of a sentence like that in the amendment it might be possible to have such documents classified; and while we might be able to see them, our lips would be sealed so far as concerns discussion of them.

Mr. AIKEN. I see no reason why some such provision should not be written into the bill.

Mr. HUMPHREY. If the committee amendment is sustained, I shall be very happy to cooperate with the distinguished Senator to see to it that the language that he is indicating now in general terms is made a part of the final appropriation bill.

Our immediate discussion now concerns whether we will make up our minds to permit the President to have any discretionary authority at all.

Mr. KEATING. I appreciate that.

Mr. RUSSELL. Has there been a unanimous-consent request waiving the rules with respect to this amendment? Otherwise, it would not be open to amendment.

The PRESIDING OFFICER. Under the unanimous-consent agreement, it was agreed that the amendments would be open to amendment.

Mr. RUSSELL. These would still be open to amendment?

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the committee amendment.

Mr. PROXIMIRE. I yield myself 5 minutes. I was hopeful that the supporters of the committee's position would argue it in detail and seek to justify it. The House took the position which I believe the overwhelming majority of the American people automatically would tend to support. If we are to reverse the House on its position, which the House took with overwhelming support for that position, some reasons should be assigned for doing so. We ought to know the reason. We ought to have it justified by the supporters of the proposal. The burden should not be put on us to argue against it. There should be some explanation of the proposal.

On February 3, 1962, the President announced an embargo on U.S. trade with Cuba. That proclamation was enthusiastically accepted by the American people. The proclamation has been generally very effective. It means that our own people cannot trade with Cuba, and that our own business must suffer, in some cases quite severely, because that trade is cut off.

In addition, I heard the distinguished Senator from Minnesota [Mr. HUMPHREY] make an excellent speech on the floor of the Senate a few days ago in which he talked about the great shame in the fact that some of our allies are making profits by trading with Castro's Cuba. I agreed with the sentiments expressed by the Senator from Minnesota. He was completely right.

I have before me data from the State Department and the Commerce Department showing the amount of export and

import trade that Cuba has had with various countries, such as the United Kingdom, West Germany, France, Italy, Belgium, The Netherlands, and so forth. The figures before me show that the United Kingdom has actually increased its imports. These figures are available for only the first 4 months of this year. They have increased them substantially. The figures are adjusted to an annual basis. West Germany has greatly increased its imports from Cuba. It has done so by a substantial amount. While these countries have reduced their exports somewhat, the reduction has not been sharp.

If we are really deeply concerned with communism in Cuba and if we want to do all we can to weaken the Castro regime, it seems to me that we should use every instrument we have in our possession to bring about that result.

I do not believe that any Senator would argue that all these countries have a vested, inalienable right to American foreign aid. Of course they do not. We are using the American people's hard earned tax money to assist our allies and our friends. The principal reason and argument for this program is that we want to assist them to resist communism and to maintain freedom in the world.

What sense does it make for us to assist our allies and then have them turn around and trade with Cuba, which represents such a very serious threat to us?

Only recently have we requested some of our allies to restrain their trade. Only 2 weeks ago, on the Meet the Press television program, Mr. Maudling, the Chancellor of the Exchequer, said that Great Britain would consider restraining her trade with Cuba if she were asked to do so by this Government. Mr. Maudling made that clear. He said it at least twice. Mr. Maudling is a high official in the British Government. He said he had no knowledge that our Government had any interest in restraining trade with Cuba.

I realize that it is extraordinarily difficult to argue against Presidential discretion. I have the greatest admiration for President Kennedy. He has a great grasp of foreign policy.

But we know what will happen if we grant this discretion. There will continue to be trade on the part of our allies with Cuba. And how can we justify it?

These countries are free to trade, if they wish, but they should be willing to give up aid from this country if they do so. It is as simple as that.

I reserve the remainder of my time. I yield 10 minutes to the distinguished Senator from Connecticut.

Mr. DODD. Mr. President, I thank the able Senator from Wisconsin. I wish to speak briefly in support of the position of the able junior Senator from Wisconsin [Mr. PROXIMIRE].

The bill presently before us cuts off aid to nations which assist Communist Cuba by grants or loans or military assistance, or by transporting military or strategic supplies to that regime. The Appropriations Committee seeks to wipe out that amendment by providing that such

aid shall be withheld from nations aiding Communist Cuba only if the President determines that it is in the national interest to withhold such aid.

I join the Senator from Wisconsin when he says that he has great confidence in the President. So do I. I have greater confidence in him than I have had in a President in many years. It is not a question of lack of confidence.

I submit that the amendment of the Appropriations Committee is a complete abdication of our responsibility as Senators and should be voted down.

I wish to repeat the condition under which the President can ignore this law. He can ignore it if he thinks it is in the national interest to ignore it. He is not required to make any determination about national security; he is not required to make any finding about the nature of the Cuban regime; he is not required to make any findings about the adverse effects which this amendment might possibly have. He can merely ignore it if he thinks it is in the national interest to do so.

Is it possible to devise a condition which is more ambiguous and imprecise than this? Is it possible to conceive of a surrender of congressional power which is more unlimited and unconditional than this?

When the House passed the provision which is in the bill before us, it did so obviously under the assumption that it was in the national interest. When the Appropriations Committee now offers its qualified amendment withholding aid from nations which aid Communist Cuba, it does so under the assumption that this withholding is in the national interest. When the Senate votes either to retain the House provision or to adopt the Appropriations Committee provision, it will do so in the belief that imposing this form of sanction is in the national interest.

But what the Appropriations Committee amendment says to us, in effect, is that the law we pass here today is null and void if the President tells us that we do not know what we are talking about; that we are not qualified to pass upon what is in the national interest.

I believe this habit of adopting amendments year after year which contain the provision that they shall be null and void whenever the President determines that Congress does not know what it is talking about is the most dangerous alteration of the theory of divided powers that I can imagine.

Surely we abdicate our responsibility entirely when we surrender to any President the power to determine for us what is or what is not in the national interest.

Supposedly we are Senators because we know what we are talking about. It is our task to determine whether or not a particular proposal is in the national interest. That is our function. That is what the people sent us here to do. We ought to do it. It is our responsibility to decide whether it is in the national interest to use the tax dollars of the American people to help nations which give indispensable aid to a Communist enemy less than 100 miles from our shore. That is what the people sent us

here to do, and that is what they rightly expect of us.

I would rather see the House amendment stricken from the bill altogether and to have the Senate say that we should take no action against nations which build up the military strength of our avowed enemies. I would rather have the Senate decide wrongly on an issue, openly and honestly, than to adopt a milktost amendment which provides, in effect, that Congress is not qualified to decide what is in the national interest and that the President must retain the power to protect the American people from the folly and ignorance of their own representatives in Congress. That is what the amendment means; it means nothing else.

We have gone much too far down the road of accepting the theory that on any critical issue involving the security of the Nation Congress is incompetent to act, and that its laws must be no longer laws, but only advice, which the President may disregard any time when, in the President's judgment, Congress does not know what it is talking about.

For these reasons, I hope the committee amendment will be rejected. I hope that Senators who oppose the House provision will have the sense of pride in Congress and the sense of responsibility as elected officials of the people to offer an amendment striking the House provision altogether, or at least establishing a clear, mandatory alternative, rather than this papier mache amendment, which provides that the Senate believes we should withhold aid from countries which send military aid to Communist Cuba, but that the executive branch, in its superior wisdom, can nullify our wish if it decides that Congress does not know what the national interest is.

I repeat what I said a few minutes ago. It is our responsibility to know what the national interest is. Otherwise, I do not know why the Committee on Armed Services and the Committee on Foreign Relations spent long hours listening to the highest responsible officers brief us about the situation in Cuba. I assume we were told the truth, and that therefore we know what the national interest is. If we were not told the truth, we ought to learn the truth. I think we are capable of determining what the national interest is when our security is threatened, and we have the right and the power and the obligation to write a law to protect it.

For as long as I have been a Member of the Senate, and during the time I was a Member of the other body, the doctrine of the discretionary power of the President has been used to thwart those who have tried to strengthen the position of the country in this particular area. The reference does not apply to this President or that President; it applies to any President.

It is a fundamental doctrine of the country that, under the division of powers, Congress has power and ought to exert its power and ought to speak its mind. If at any time the President finds that some change in world events makes an act of the Congress harmful or

inadequate, all of us can be called back here in a matter of hours. All he need do is tell us there has been a change and that he seeks a change in the law. I am confident I speak the truth when I say that he will get it, once he has told us he wants it, and needs it, and why he needs it.

The constant passing of the buck, the constant retreat from our responsibility, on the ground that we do not know what the national interest is, and that we are not capable of determining what the national interest is, is the way of destruction of the constitutional basis of this country.

Someday, perhaps soon, there may be a Congress which will be asked to do nothing else but say "Yes" to whatever the Chief Executive decides. We have already gone a long way down that road. Let us not go further. The hour is late. Let us reject the committee amendment.

**Mr. RUSSELL.** Mr. President, I desire to associate myself with the remarks of the distinguished Senator from Connecticut as to the abdication of authority by the Congress in taking refuge in the language of the committee amendment, which would transfer to the President of the United States duties which properly belong to the Congress and which the Congress should squarely and fairly fulfill.

I associate myself with the Senator's statement that this is no criticism of the President; it is no attack on the President; it is merely an expression of the views of Senators, who are elected to represent constituencies, and whose ideas differ from those expressed by the President of the United States.

I recall to the Senator from Connecticut [Mr. Dodd] that we have been for several years abdicating our constitutional responsibility to squarely face the question of extending foreign aid to Yugoslavia and other Communist countries. We have done so in language that delegates our legislative authority to the President; in language which provides that the President may extend aid if he finds that such assistance is "vital to the security of the United States."

I had great admiration for President Eisenhower. He found several times that such assistance was vital to the security of the United States. I did not believe that such assistance was vital to the security of the United States and that it was not in the best interests of the United States to extend it to Yugoslavia. I likewise have implicit confidence in President Kennedy, but I do not agree with him that it is vital to our security to give aid to Communist countries. I, with equal honesty, believe it damages our security.

We have before us the same language. Apparently the Senate will find that it is vital to the security of the United States that assistance be extended to Yugoslavia, Czechoslovakia, and other Communist countries. I entertain different views.

I cannot shed my constitutional responsibility as a Senator of the United States. I cannot be absolved of my obligation, under my oath of office, by say-

ing that I have not the courage to face the situation, but will pass it over to the President. If I did, I would feel like Pilate; I would be washing my hands, sanctimoniously saying, "I do not want to help the Communists, but I will agree to pass legislation under which I know they will receive aid from the taxpayers of the United States."

**Mr. DODD.** I thank the Senator from Georgia for stating the case more eloquently than I could. I am particularly pleased that he has raised the question of supporting the President. One thing I am weary of is constantly having that sort of accusation thrown at anyone who dares to differ with the Chief Executive, whoever he may be. To disagree on a grave matter of policy is no indication of how a Senator may feel toward the President of the United States. I think I can best serve the President by being honest, by telling my concept of the truth, and by saying to my colleagues what I earnestly believe. That is how I think I can best help the President, and this is what I want to do. I think those who agree with our position are of the same frame of mind. But every time a Senator dares to stand up, someone suggests, in a subtle sort of way, that he is against the President. That is not so at all. Many of those who are most for the President are speaking on this side.

**Mr. PROXIMIRE.** Mr. President, I yield 3 minutes to the Senator from South Carolina.

**Mr. THURMOND.** Mr. President, I am opposed to the committee amendment. The committee amendment is calculated to allow aid to be given to Communist countries. The aim of all Communists, whether of the so-called independent variety or not, is to dominate and enslave the world. No one now disputes the fact that Castro is a Communist. The world now knows that Cuba is under Communist control and dictatorship. In my judgment, the Senate would make a great mistake by adopting the committee amendment which is now under consideration. The wording of this section as approved by the House of Representatives provides:

None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose trips are used to transport any military or economic supplies to that regime.

Mr. President, why should not we oppose that? We know now that Cuba is part and parcel of the international conspiracy of communism. Why should we give aid to a country which will send arms or ammunition to Cuba, which is trying to destroy us and subvert the entire Western Hemisphere? Why should we furnish any aid to a country which will deliver arms, ammunition, or implements of war to the Castro regime; or why should we furnish aid to a country which furnishes grants or loans of military or economic assistance to Cuba,

whose goal is to help destroy these United States?

Mr. President, in my judgment we are merely shirking our responsibility if we do not act in the same manner as the House acted. Under our Republic, there is a tripartite system at the national level. There is the legislative branch—the Congress—which makes the laws; there is the executive branch—headed by the President—which enforces the laws; and there is the judicial branch—headed by the Supreme Court of the United States—which interprets the laws. Congress has its definite responsibility, and Congress cannot shirk it. The burden to make the laws rests squarely upon the Congress. The President merely executes the laws. Under the Constitution, Congress is responsible for determining the very type of question which now is before us; yet, Mr. President, in the amendment reported by the Foreign Relations Committee, there is the following provision:

Unless the President determines that the withholding of such assistance to such country, or the nonpayment of such expenses of transportation, would be contrary to the national interest.

Unless the President makes that determination. Mr. President, it seems to me that this determination should be made by Congress. Congress is now making the law; later, the President will merely enforce the law which Congress makes.

I see no reason or excuse for aiding any country which will help Castro and the international Communist conspiracy in the attempt to destroy the United States.

But the committee amendment, if adopted and enacted into law, would allow aid to be given to a country which will help Castro in his attempt to destroy the United States.

Mr. President, I will not be a party to such an amendment, and I hope the Senate will reject the committee amendment.

The PRESIDING OFFICER (Mr. PELL in the chair). The time yielded the Senator from South Carolina has expired.

**Mr. THURMOND.** Mr. President, I ask unanimous consent to have printed at this point in the RECORD a report by me on our country's Cuban policy.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### CUBAN POLICY PARALYSIS COSTS

The policy of the United States on Cuba provides for history an almost perfect record, a perfect record of errors. Castro and communism took over in Cuba without even fighting a battle, much less a war. The take-over was accomplished with an official nod of approval from the United States, plus direct assistance in the form of a U.S. embargo on arms to the Batista government, which Castro succeeded in power.

At best, our Government's refusal to acknowledge Castro's Communist ties was an example of gross misjudgment. Castro's participation in the Communist insurrection in Bogotá, Colombia, on April 9, 1948, was known to almost every intelligence agency in the Western Hemisphere.

Even after Castro's takeover, our response to the danger was lethargic. However, a plan was finally set in motion to do something about the presence of a Communist outpost in the Americas. The plan formulated and approved called for an invasion of Cuba, financed and sponsored by the United States and carried out by Cuban refugees. The invasion was originally scheduled for November 30, 1960, but was delayed because of the change in administrations. The new administration, like its predecessor, considered the danger of a Communist Cuba so grave as to justify the invasion. It was, therefore, rescheduled for April 17, 1961.

Then the blunders began in earnest. Instead of keeping Castro in the dark as to what level of force to expect when the invasion began, the United States announced in advance of the invasion that no American forces would go to the aid of a revolution against Cuba's Communist government. This discouraged a popular uprising and took much of the pressure off Castro. The plan called for a second air strike to follow that of April 15 to complete the destruction of Castro's then-meager air force, but at the last minute, diplomatic qualms caused it to be canceled. The invaders were left at the mercy of the Communist forces. The United States denied, then admitted, its major part in the invasion.

Because of timidity and indecision, the justified and necessary invasion became a fiasco. The United States not only had to bear all the criticism which would have followed a successful liquidation of communism in Cuba, even had U.S. forces been directly committed, but the United States also had to bear the loss of confidence and respect resulting from the obvious incompetence which caused the invasion to fail and the invaders to be sacrificed. Since the ill-fated invasion blunders, our policy toward Communist Cuba can best be described as timid, and the situation has grown from bad to worse.

Communism is now firmly entrenched in Cuba. The Communists have had more than 2½ years to purge and indoctrinate the Cuban people. Communist agents and specialists from all over the world have been moved into Cuba in large numbers. Castro's military forces are the largest and best equipped—with Russian and Czech arms and jet aircraft—in Latin America. From Cuba flows an ever-increasing tide of Communist propaganda and subversion directed at Latin America. There is substantial evidence that there are now at least four intermediate-range ballistic missile bases in Cuba. Recent reports strongly indicate that an undetermined number of Soviet military forces have landed in Cuba. There is also every reason to believe that the Soviets have built or are building a space satellite tracking station on the north coast of Cuba. This will constitute a major advantage for the Soviet space program, because the Soviets have no other such site available in the Western Hemisphere.

As long as Cuba is Communist controlled, there can be no stability in Latin America. We can't buy our way out with the Alliance for Progress, which has been aptly dubbed the "alliance for socialism." If, as has been proposed, we cut off military aid to Latin American countries, it will create a vacuum of power in all America as it did in Cuba and permit communism to take over without fighting a battle.

The longer the United States waits to expel communism from Cuba, the more difficult will be the job. All Americans are reluctant to commit American men to battle, but it is now clear that it is American liberty at stake. If circumstances in 1960 and early 1961 justified decisions by two administrations that a U.S.-sponsored invasion of Cuba was essential, how can the far-worse circumstances of

today require less? Inaction can be justified at this point only by a no-win policy of paralysis.

**Mr. BUSH.** Mr. President—

**Mr. HUMPHREY.** Mr. President, I yield 5 minutes to the Senator from Connecticut [Mr. BUSH].

**The PRESIDING OFFICER.** The Senator from Connecticut is recognized for 5 minutes.

**Mr. BUSH.** Mr. President, whenever we come to deal with a foreign-aid bill, we are confronted with the question of whether the President should have some discretion in connection with the application of the bill. I believe the President should be allowed some discretion in that connection. The House of Representatives and the Senate Appropriations Committee have expressed their view, and in subsection (a) and (b) of section 107, beginning on page 7, there is the following clear provision:

None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation—

And so forth. Similarly, under subsection (b), we find the same prohibition, beginning with the words:

None of the funds appropriated in this title shall be available—

And so forth. But in both subsections the Senate committee has inserted the reservation that if the President finds it in the national interest, he may act appropriately, in which case he must report to the four committees. I think the provision should be amended, by adding, following the word "reports," the words "with his reasons."

In short, this provision requires the President to report such a determination to the Appropriations Committee of each House and to the Foreign Affairs Committee of the House and to the Foreign Relations Committee of the Senate.

It is clear that the President has the constitutional authority to conduct the foreign policy of this country. He cannot take irresponsible action without regard to the position taken by Congress, because this amendment itself requires him to report to Congress—with his reasons, I suggest—if he decides to take such action which he believes to be in the national interest.

**Mr. DODD.** Mr. President, will my colleague yield?

**Mr. BUSH.** I yield.

**Mr. DODD.** Did I correctly understand my colleague to say that the committee amendment requires the President to report to Congress?

**Mr. BUSH.** Yes.

**Mr. DODD.** With his reasons?

**Mr. BUSH.** I said the amendment requires him to report to the four committees; that provision begins on page 8; and a similar provision is to be found on page 9.

**Mr. DODD.** But the amendment does not include the words "with his reasons," does it?

**Mr. BUSH.** That is true. I said I intend to offer to the committee amend-

ment an amendment to add the words "with his reasons." It may be said that that would be implicit in the present wording of the committee amendment; however, I intend to offer such an amendment to the committee amendment.

**Mr. KEATING.** Mr. President, will the Senator from Connecticut yield?

**Mr. BUSH.** I yield. First, let me point out that the Senator from New York was about to offer such an amendment, but was delayed.

**Mr. KEATING.** I would enthusiastically support such amendment. I had intended to offer an amendment to the effect that such findings would be public property—so they could not be buried in files, on the ground that they were confidential. When the President reports, I believe he should be required to report in such a way that the public would know his reasons.

I hope the committee amendment will be amended so as to include the words "with his reasons," as the Senator from Connecticut has suggested.

**Mr. BUSH.** Yes; I think the words "with his reasons" should be included, so the committees may understand and may report to their respective Houses, if they so determine.

**Mr. DODD.** Mr. President, will my colleague yield?

**Mr. BUSH.** I yield.

**Mr. DODD.** Will my colleague state what real effect the giving of the reasons would have? Is it not true that the stating of his reasons would have no more effect than if the President did not state his reasons?

**Mr. BUSH.** My answer is that this committee amendment would not nullify anything; it would merely give the President more bargaining power. The committee amendment states in unqualified terms what Congress thinks about the situation. Then the committee amendment goes one step further, and provides, in effect, that if times change, and if the President then believes that in the national interest he should take action at variance with the stated congressional intent, he may do so if he believes it to be in the national interest, and if he reports to Congress. The committee amendment should be amended in such a way as to require that the President give his reasons.

**Mr. PROXMIRE.** Mr. President, will the Senator from Connecticut yield to me?

**Mr. BUSH.** I yield.

**Mr. PROXMIRE.** Is it not true that such an amendment would be legislation on an appropriation bill, and thus would be subject to a point of order? In addition, is it not true that such an amendment would have to go to conference. As we know, if it went to conference, that would be the end of it.

First of all, such an amendment could be blocked by a point of order; and, second, if it were not blocked by a point of order, it would have to go to conference.

**Mr. BUSH.** I think such an amendment to the committee amendment

would be no more subject to a point of order than the committee amendment itself would be.

The PRESIDING OFFICER. The time yielded to the Senator from Connecticut has expired.

Mr. SALTONSTALL. Mr. President—

Mr. HUMPHREY. Mr. President, I yield to the Senator from Massachusetts 2 minutes, or whatever time he may need.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. SALTONSTALL. Mr. President, I wish to speak briefly in behalf of the committee amendment.

First, we must remember that the President is in charge of our foreign policy, and that we must give him an opportunity to determine what that policy is.

Second, I call attention to the Foreign Assistance Act of 1961, as amended, on August 1, 1962. Section 629 of that act, which we passed only 2 months ago, provides:

Prohibitions against foreign assistance to Cuba and certain other countries: No assistance shall be furnished under this Act to the Government of Cuba, nor shall such assistance be furnished to any country that furnishes assistance to the present government of Cuba, unless the President determines that such assistance is in the national interest of the United States.

That is the language the committee tried to follow; it is one of the provisions of the authorization act.

The Senate Appropriations Committee recommends that the appropriation be made, subject to such a determination by the President.

If he determines that it should go into Cuba, the President must make a report to the four committees of the Senate and of the House, the Foreign Relations and the Appropriations Committees.

I should like to make one further comment. The bill as passed by the House is not limited to cargoes of military or strategic material, but would include medicines, medical equipment, and food. The United States itself does not preclude humanitarian shipments to Cuba.

So if we leave the House language in the bill, and include embargoes on ships carrying any kind of assistance to Cuba, we shall be going against our own humanitarian principles and not be following the provision of the Authorization Act of 1961, as amended, which we passed just 2 months ago.

I think it is fundamental that we must leave some discretion in the hands of the President, who is in charge of our foreign policy.

For those reasons, I hope the amendment offered by the Senator from Wisconsin will fail and that the committee amendment will be followed.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. If we voted for the language of the House bill, it does not seem possible that we could continue as a member of NATO, because NATO funds are involved in this bill. That would be

true of SEATO or any of the other military alliances. I would like to ask someone to answer that question.

Mr. SALTONSTALL. I do not see how we could, because many of the ships going there and many of the imports come from our friends in NATO. The present administration is trying, through diplomatic channels, to persuade those nations to go along with our view; but if we put a complete embargo on them, we go against our own commitments.

Mr. AIKEN. It is true that West Germany does not ship military equipment to Cuba. It is also true, as the Senator pointed out, that the House language does not restrict only shipments of military equipment, arms, or equipment of that kind. It seems to me that some of the members of NATO are shipping goods to Cuba in their ships, some being military equipment and some not military equipment. If we contribute to NATO, was are certainly contributing to the countries that are in NATO. If we tied the President's hands as tightly as the House has done, I do not see how we could continue as a member of the NATO organization. Perhaps we should not continue. Perhaps the time has come when we should get out of Europe and the Mediterranean completely. I do not think so, but apparently there are those who do, and who are willing to withdraw our participation from that military alliance.

Mr. SALTONSTALL. Will the Senator yield me 2 minutes?

Mr. HUMPHREY. I yield to the Senator.

Mr. SALTONSTALL. I wish to read a statement of Secretary Rusk to the committee. These are not his exact words, but in the side slips this language by Secretary of State Rusk is contained.

Section 107 as passed by the House would dangerously impair the conduct of a positive U.S. foreign policy. It goes far beyond the sound principles laid down in section 107 as enacted by the House last year which has proved workable. It would prohibit aid to any country—

This is what the Senator from Vermont brought out—

no matter how important to U.S. interests—which permits any trade or carriage of goods in ships under its flag—no matter how little or how innocuous—with Cuba. It would allow the President no discretion even in cases where the national interest required it. We are working diligently with our allies and others to limit trade with Cuba, and this inflexible limitation would unwisely constrict negotiations. This provision subordinates all of our interests at this time of peril in Berlin to one aspect of the Cuban situation. The new language added to last year's provision should be stricken.

Mr. JOHNSTON. Mr. President, may I have 2 minutes?

The PRESIDING OFFICER. Does the Senator yield time?

Mr. PROXIMIRE. I yield 2 minutes to the Senator from South Carolina.

Mr. JOHNSTON. Mr. President, I think we all realize the seriousness of the conditions we are facing in regard to Cuba. I think the administration now realizes the seriousness of the situation,

if it did not realize it before, or it would not have declared an embargo against our own ships taking material into that country.

A year ago I made a speech stating that an embargo should be placed around Cuba, not only with respect to goods coming from America, but those coming from every other nation of the world. We should do everything possible to cut them off from the outside world. At the present time I can not go as far as the committee has gone in good conscience. This is the time to strangle Cuba economically, not help her.

I again reiterate my previous prediction that if we do not halt our aid to Cuba, we are going to have greater trouble emanating from her shores in the near future. The only way we can act with reason under this appropriation bill is to say to the other nations what we have said to the business people of America, "You cannot do business with Cuba."

For these reasons, I hope the pending motion will be agreed to, and that the Senate will not support the committee. And that as a result the United States will put countries on notice who have Communist sympathies that they cannot conduct trade with Cuba and receive our aid. That is the kind of policy we would carry out should the motion prevail that is now pending.

If we follow the Senate committee policy, I think we might as well let the bars down and say to Cuba, "Come into the United States and take the United States." If we do not begin positive steps to stop Cuba soon they will continue day by day, month by month, and year by year, until they will be much stronger, as far as being able to send armed forces from Cuba to the United States. We must face reality at this time and not give additional money for the purpose of strengthening Cuba.

I want to commend the House for the action it has taken. I hope the Senate will agree to the pending motion.

Mr. PROXIMIRE. Mr. President, I yield 3 minutes to the Senator from Iowa [Mr. MILLER].

Mr. MILLER. Mr. President, I join in the remarks of the distinguished Senator from Connecticut. I think he articulated very well one of the deep problems that has been bothering the American people for the last several years, and which has been growing in intensity, and that is the question of what the national interest is.

I agree wholeheartedly that it is primarily for the Congress to determine what is or what is not in the national interest, and only secondarily for the President to determine it. It is one thing for Congress to delegate to the President the determination of what is or what is not in the national interest on a particular piece of legislation, but to get into something like this is another thing.

As I see it, the national interest is a very broad concept, but I hope all of us will agree that we include in the concept of the national interest the proposition that we intend to prevent

aggression by communism, that we intend to preserve freedom in nations where the people are free, and that we intend to restore the freedom of those nations now suffering under the Communist tyranny.

It seems to me the action of the House committee goes hand in hand with that concept of the national interest. It is a moral issue. All the talk about giving the President bargaining power, it seems to me, is beside the point. We cannot give bargaining power to anyone, the President, the Congress, or anyone else, over a moral issue. This is a moral issue.

If some of our all allies want to promote aggression of communism in Cuba, if they want to hamper attempts of the people there to regain freedom, that is their privilege, but do not let them ask the people whom I represent to pay 1 cent of tax money for that kind of assistance. The issue is that simple.

I hope the committee amendment will be defeated.

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I support the language of the House and oppose the Senate committee amendment. I attended a conference with the State Department this morning in which I made that point clear.

I thought it was made rather clear today that we thought the time had come to determine who would stand with us in the Western Hemisphere, and who would aid and abet the weakening of the Western Hemisphere.

I do not think there is any denying the fact that, if any of our alleged allies attempt to strengthen the economy of Cuba, they will not be strengthening the security and freedom of the Western Hemisphere. We must find out who stands with us and against us in the Cuban crisis. It is a very serious crisis.

I think the time has come to make perfectly clear that if our allies are trading with Cuba, they are not friends in fact.

As has been pointed out in this debate, I know of no reason at all, why American taxpayers' dollars should be used to assist any country which is in turn following a course of action which threatens freedom in the Western Hemisphere. Now is the time, in my judgment, for our allies to stand up and be counted, to determine on which side they really stand.

I shall support the House language and oppose the Senate language.

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from Connecticut [Mr. DODD].

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 1 minute.

Mr. DODD. Mr. President, I shall need only a half minute.

The Senator from Oregon has made the one argument which I had planned to make, and has done so better than I could. I was about to say that I thought it was time to decide whether the NATO people stand with us or with our enemies in the Communist world, particularly Cuba.

The old argument is becoming pretty worn, "What will our NATO allies think of us if we do this or that?"

It is about time that our NATO allies thought of our interests as well as their own. The American people have been putting up billions of dollars, and now we are in jeopardy, and we are asking our allies to stand with us on the right ground. It is about time they did so.

It has been said here that if we adopt this ban on aid to countries which aid Cuba, we will so offend our allies as to destroy NATO and SEATO.

In response to this, I say that if the fabric of the free world alliances, into which has been woven so much American blood, and treasure, and effort, if that fabric is so paper thin that it can be torn and destroyed because we insist that our allies may not aid our enemies and at the same time receive our aid; if these allies think more of their profits from Cuban trade than they do of their aid from us and their reciprocal duty to us, then I say it is time we found out about it.

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from North Carolina [Mr. ERVIN].

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 1 minute.

Mr. ERVIN. Mr. President, I think it is about time for the Congress of the United States to exercise sufficient intelligence and sufficient fortitude to end the taxation of Americans for the purpose of giving aid to those who give aid and comfort to our enemies.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROXMIRE. If the Senator from New York [Mr. KEATING] and the Senator from Connecticut [Mr. BUSH] should offer an amendment which would provide additional language to require the President to give reasons, would such an amendment be subject to a point of order on the ground of being legislation on an appropriation bill?

The PRESIDING OFFICER. It would be subject to a point of order, if it were legislation on an appropriation bill—

Mr. PROXMIRE. I thank the Presiding Officer.

Mr. HUMPHREY. Wait just a minute.

Mr. PROXMIRE. Mr. President, not on my time.

The PRESIDING OFFICER. But, when there is House language in the appropriation bill which is legislation, language which is germane may be offered as an amendment; and, if a question as to germaneness is raised, even after the point is made, the question of germaneness is submitted to the Senate and the Senate decides that question by majority vote, without debate.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. There is legislation in this appropriation bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. Therefore, an amendment to legislation by the House in an appropriation bill would be subject to a point of order but the question of germaneness can be raised; is that not a fact?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. And the Senate then would decide whether or not the language was germane.

The amendment which has been suggested by the Senator from New York relates to the reporting procedures. It seems to me so patently obvious that it is germane that the Senate should not have difficulty determining that question.

The PRESIDING OFFICER. It is a question for the Senate to determine.

Mr. HUMPHREY. The Senate will decide that, surely.

Mr. President, how much time remains?

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired. The Senator from Minnesota has 9 minutes remaining.

Mr. HUMPHREY. Mr. President, I yield myself only a couple of minutes.

Mr. President, I have listened to the arguments not only now but also year after year with reference to what limitations Congress should impose upon the Chief Executive with respect to foreign aid.

It is interesting to note that when the defense appropriation bill comes before the Senators, under which the President might commit our sons to battle and might commit this country, if need be, to war, Senators do not seek to impose limitations upon the President of the United States. The President can send troops here, there, and yon, and does not have to report to the Congress, either. Yet no Senator rises on the floor to say, "Mr. President, give us a report."

Foreign aid is a part of our national security. It is a very vital part of our national security. The foreign aid which was given to Western Europe may have been the most important part of our national security. Foreign aid to Formosa, to Taiwan, is a part of our national security. Foreign aid to Turkey is a part of our national security. Turkey is close to the Soviet Union—90 miles closer than Havana is to the United States.

If there is any one conclusion to be drawn from history, it is that a parliamentary body is incapable of conducting foreign policy, because there are equal voices in the body, and there never is a unanimous voice in a parliamentary body except under the most unusual circumstances.

The PRESIDING OFFICER. The time yielded by the Senator has expired.

Mr. HUMPHREY. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator may proceed for 2 additional minutes.

Mr. HUMPHREY. Mr. President, if the Articles of Confederation taught us anything in our history, it is that a parliamentary body, a congress, cannot conduct foreign policy. That is why the framers of the Constitution met in Philadelphia in 1787 to formulate a new

Constitution. That was their prime purpose.

I submit that we would be making a tragic mistake if, in this critical hour in our international affairs, we should tie President Kennedy's hands or tie any President's hands by these limitations.

I stood on this floor and argued for Dwight Eisenhower time after time with respect to aid to Poland and aid to Yugoslavia. And that was not popular. It is not popular now. I think I was right then, and I think President Eisenhower was right then, and I think Foster Dulles was right then.

I argue now for the President of the United States to be given at least the same authority under conditions which are no less grave than they were then.

What does the amendment provide? It states the policy of Congress. It says to the President and to the Secretary, "Look, stop this business of aid to these countries which assist in any way this Cuban regime of Mr. Castro and his kind. That country has been taken over, for all practical purposes now, by the Communists."

It also says to the President, "If, perchance, you feel it is in the national interest or important for our national security that you must make some exceptions"—

The PRESIDING OFFICER. The time yielded by the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator may proceed for 2 additional minutes.

Mr. HUMPHREY. The amendment says to the President, "If you feel there should be some exception, then you will report to the Congress of the United States, through its appropriate committees."

We are asked to change that so that the report will be made public.

We are laying down the mandate. The President knows the views of this Congress. The Secretary of State is negotiating every hour of the day to do something about this problem. As was said earlier today, we have allies, rather than satellites.

I do not like to provide aid to dictators, but I remember the time when the question of aid for Spain came up, and I voted for it. The first time it came before the Senate I did not vote for it, and I was wrong. The second time it came up, I voted for it. I will tell Senators why. It was because I thought it was important to the security of this country that we have bases in Spain. I still do. I will support that aid.

I think one must sometimes put bigger issues ahead of what seem to be immediate concerns.

If the Senate strikes the committee proposal language from the bill, then the language will not be in conference and there will be nothing we can do about it. For all practical purposes, we then will have said to the President of the United States, "Scrap your allies. Scrap your alliances. Get in trouble not only with Cuba but also with every friend this country has."

We are making progress under existing diplomacy. I think that what the Congress is now seeking to tell the President is, "Mr. President, press your case with respect to cutting off these shipments."

The senior Senator from Minnesota stood on the floor of the Senate as one of the first to raise the issue. I have raised this issue again and again, even with the Secretary of State, as I did earlier today when I attended the breakfast meeting. I told the State Department representatives I did not think they were active enough, that something more needed to be done, that we needed a stronger policy. But I would not put such a provision in the law as would shackle the President of the United States.

I submit that we should give our President the opportunity to be the chief spokesman of our foreign affairs. Let us give him the opportunity to be Commander in Chief. But if we desire to take over those duties, let us say so. Then God bless America when and if the Legislative body starts to become the diplomatic body, the foreign policy body, of our country.

I yield back the remainder of my time.

Mr. BUSH. Mr. President, will the Chair state the question so that Senators will understand what they are voting on?

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. If it is the desire of the Senate, and Senators individually, to support the language which was prepared and adopted by the Committee on Appropriations, the vote should be "yea."

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. If it is the desire of the Senate to repudiate the Committee on Appropriations and support the language of the House of Representatives, the vote should be "nay."

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXIMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The amendment before the Senate will be stated.

The LEGISLATIVE CLERK. On page 7, beginning with line 3, it is proposed to strike the language down to and including line 23 on page 7.

Beginning with page 7, line 24, insert the language down to and including line 6 on page 9.

The PRESIDING OFFICER. The question is on agreeing to the amendment stated. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). Mr. President, on this vote I have a pair with the Senator from Arkansas [Mr. McCLELLAN]. If he were present and voting, he would vote "nay."

If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Oklahoma [Mr. MONROE], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Alabama [Mr. HILL] would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Illinois [Mr. DOUGLAS] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Tennessee [Mr. GORE] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from South Dakota [Mr. BOTTMU]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from South Dakota would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTMU], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Maryland [Mr. BUTLER], the Senator from Kentucky [Mr. MORTON], the Senator from Vermont [Mr. PROUTY], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWERS], are necessarily absent.

If present and voting, the Senator from Maryland [Mr. BUTLER], the Senator from Vermont [Mr. PROUTY], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If

present and voting, the Senator from Utah would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Pennsylvania would vote "yea."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from Kentucky would vote "nay," and the Senator from Illinois would vote "yea."

On this vote, the Senator from South Dakota [Mr. BOTTMU] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Oregon would vote "yea."

The result was announced—yeas 39, nays 36, as follows:

[No. 294 Leg.]

YEAS—39

Aiken	Hart	Metcalf
Bartlett	Hartke	Moss
Beall	Hayden	Muskie
Boggs	Holland	Pastore
Burdick	Humphrey	Pearson
Bush	Jackson	Pell
Byrd, W. Va.	Javits	Randolph
Carlson	Keating	Saltonstall
Carroll	Kefauver	Smith, Mass.
Case	Long, Hawaii	Sparkman
Church	McCarthy	Wiley
Cooper	McGee	Williams, N.J.
Engle	McNamara	Yarborough

NAYS—36

Allott	Hruska	Proxmire
Bible	Johnston	Robertson
Byrd, Va.	Jordan, N.C.	Russell
Cannon	Jordan, Idaho	Smathers
Curtis	Kerr	Smith, Maine
Dodd	Kuchel	Stennis
Eastland	Long, Mo.	Symington
Ellender	Long, La.	Talmadge
Ervin	Miller	Thurmond
Fong	Morse	Williams, Del.
Goldwater	Mundt	Young, N. Dak.
Hickenlooper	Murphy	Young, Ohio

NOT VOTING—25

Anderson	Douglas	McClellan
Bennett	Fulbright	Monroney
Bottum	Gore	Morton
Butler	Gruening	Neuberger
Capehart	Hickey	Prouty
Chavez	Hill	Scott
Clark	Lausche	Tower
Cotton	Magnuson	
Dirksen	Mansfield	

So the committee amendment, as stated, was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY, Mr. MORRISON, and Mr. CORBETT were appointed managers on the part of the House at the conference.

POSTAL SERVICE AND FEDERAL EMPLOYEE SALARY ACT OF 1962

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSTON. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JOHNSTON, Mr. MONROEY, and Mr. CARLSON conferees on the part of the Senate.

A REPORT ON SOUTH VIETNAM

Mr. JACKSON. Mr. President, Hon. Roger Hilsman made what I consider a most significant and helpful speech on South Vietnam and problems of guerrilla warfare, at the American Hospital Association Meeting, Chicago, Ill., on September 18.

Mr. Hilsman speaks with authority from first-hand experience with the art of guerrilla warfare in the Far East in World War II and as the able and vigorous Director of Intelligence and Research in the Department of State.

I recommend his speech for wide reading and serious consideration as an outstanding statement of the problems we confront in South Vietnam and of the programs being fashioned to meet them.

I ask unanimous consent that the text of his speech be printed at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

A REPORT ON SOUTH VIETNAM

(Remarks by Hon. Roger Hilsman, director of intelligence and research, Department of State, at the American Hospital Association meeting, Chicago, Ill., September 18, 1962)

In the period when Mr. Acheson was Secretary of State and General Marshall was Secretary of Defense, it is said that the two men had a special understanding.

Whenever anyone said, "This is a purely military problem," or "This is a purely political or diplomatic problem," then who-ever said it had to leave the room.

In South Vietnam we are confronted with an extraordinary example of the way military decision and action are interdependent with many other decisions and enterprises. The war there is a guerrilla war and the successful means of countering guerrilla war are as much political as military, for the long-run task is nation building.

This guerrilla war is a form of hidden Communist aggression, an internal war, if you will. As President Kennedy has said, "their aggression is more often concealed than open. They have fired no missiles; and their troops are seldom seen. They send arms, agitators, aid, technicians and propaganda to every troubled area. But where fighting is required, it is usually done by others—by guerrillas striking at night, by assassins striking alone—assassins who have taken the lives of 4,000 civil officers in the last 12 months in Vietnam alone—by subversives and saboteurs and insurrec-

tionists, who in some cases control whole areas inside of independent nations."

This war in the shadows may well be one of the most decisive battles of our time. My subject is a report on one of these shadow wars, the one in South Vietnam, and I would like to start by giving you my outline; there is a guerrilla war in South Vietnam, so I would like, first, to say something about guerrilla warfare in general—the conditions in which it arises and a strategic concept for fighting against it. Second, I would like to tell you how these ideas are being applied in South Vietnam. And, finally, I'd like to give you a report on how things are going there in South Vietnam.

There is something about guerrilla warfare which gives rise to legends. It is part of the operation, in fact, to see that the enemy is full of rumors which keep him in the dark as to facts.

But in appraising the uses of guerrilla tactics we should certainly try to separate legends from realities.

So it seems useful to begin with the elementary observation that guerrilla warfare is possible only in two very special sets of circumstances:

The first is, when the main body of the enemy is otherwise engaged. When France was occupied by the Germans in World War II, virtually the entire population hated the Nazis. There was a well-organized and supplied guerrilla movement—the Maquis. But so long as the German armies had nothing else to do, the French guerrillas could not be effective. There were many individual acts of sabotage and violence, but not much else. At any time that a small guerrilla band attacked, the Germans could counter with overwhelming force.

But after D-day, when the German divisions were fully engaged in fighting the Allies, the Maquis became a formidable and effective force.

The second set of circumstances is now the more usual setting for guerrillas when they operate in the emerging, still developing countries of the world. In much of the world today, the different communities that make up what we think of as nation-states are isolated from the central government—isolated by lack of communications or by the terrain, as in mountains, islands, or the desert, but more importantly isolated in a psychological and political sense.

The basic situation in many underdeveloped areas is that the villages are turned inward on themselves. The people are living there as they have for hundreds of years, with few ties to their government. They appear rarely to have strong political convictions one way or another. In my personal experience in southeast Asia during World War II where a few of us in the OSS were sent behind the enemy lines to organize bands of guerrillas against the Japanese, it seemed to us that perhaps 10 percent of the people had some sympathies for our side and perhaps 10 percent had some sympathies for the Japanese. But 80 percent of the populace did not have much awareness of the struggle being fought out in their country. Much less did they have ideological convictions. Even with white faces we recruited a guerrilla force that was larger in numbers than the Communist guerrilla force in South Vietnam today.

My point is that in these underdeveloped, but at the same time ancient cultures, the villagers are isolated from each other and from the central government in a way that we in the West are not equipped by our experience to understand. The villagers are turned inward on themselves and identify not with the nation but often only with their family, clan, and village.

Let me illustrate my point.

Recently some friends of mine made a tour of the border areas of such a country. They visited 40 villages. In 10 of these vil-

the truth should be used to demolish rightist lies and demagoguery.

The threat of Communist aggression from the Soviet Union poses a danger to free people everywhere and it is to this danger that we should direct our energy and our skills. It may be easy to blame all the problems facing our country on internal communism and local scapegoats and to offer inane, meaningless, black and white solutions to our most complicated problems of survival. However, to put blinders on one's eyes and to refuse to recognize the real danger does not make that danger go away. To the contrary, it only weakens our position and our ability to triumph in this struggle for freedom. Schwarz and those who agree with him contribute toward encouraging this short-sightedness and unwillingness to face the facts on the part of some Americans.

Mr. President, it is time that these purveyors of patriotism for profit, these exponents of the big lie, be denounced. They do no service to our Nation. On the contrary, they might weaken us in our continuing fight against communism and our struggles to preserve democracy and to bring its blessing to mankind everywhere.

#### ILLEGALITY BREEDS ILLEGALITY

Mr. JOHNSTON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Illegality Breeds Illegality," written by David Lawrence and published in the U.S. News & World Report for October 8, 1962, dealing with the conflict of State and Federal functions in Mississippi.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### ILLEGALITY BREEDS ILLEGALITY

(By David Lawrence)

The above headline introduced an editorial on this page on October 4, 1957, commenting on the illegal use of Federal troops at Little Rock, Ark. This Governor of a sovereign State thought he was empowered to use the State militia to prevent violence and disorder—a State function as he saw it. This was at a time when a Federal court had ordered the admission of Negroes to a public high school, previously all-white, and feelings were inflamed.

But the Governor's theory was overruled, not by any court but by military force ordered by the Federal Government. Yet there's nothing in the Constitution which authorizes the Federal Government to send troops to any State under such circumstances. If the Federal court's order to open the school to Negroes did supersede the right of the Governor to take legal steps to prevent domestic violence, no opportunity was given to settle the point by legal procedures.

Today, the Governor of another sovereign State—Mississippi—feels he has the legal right to block a Federal court order requiring the State University to admit a Negro student. Any citizen has a right—at the risk of punishment—to refuse to abide by a court ruling and to have his day in court, even to the point of carrying the case to the Supreme Court of the United States for a determination of the issues involved.

The process of the law were open in October 1957, as they are now in October 1962, to resolve the conflict of State and Federal functions. We should not be impatient, even

though there is a congressional campaign in progress at present that adds political implications. We should let legal processes take their natural course.

For we pride ourselves on being a nation that abides by the law. Our difficulty, however, is in ascertaining just what is the "law of the land" in the various legal maneuvers that currently surround the integration controversy.

It is easy enough to call Gov. Ross Barnett of Mississippi and Attorney General Robert Kennedy political exhibitionists, but each has a duty to perform.

It is easy enough to call anyone a Negro hater who disagrees with the theory of forced integration.

It is easy enough to call the people of the South enemies of the Negro, though the facts of their relationship in the last 100 years do not bear out the accusation.

This writer was a student at an integrated high school in the North more than a half-century ago and wrote often for the press about the feats of a Negro who was star quarterback on the football team and a most popular individual. But the problem that faces all of us is not just to consider our own personal feelings. Nor is it a matter simply of obedience to rulings of the courts. It goes deeper. We should not close our minds to the other side of the argument—generated as it is by the pain of an injustice that gnaws at the hearts of the people of the South.

For they have not forgotten the injustice and, indeed, the complete disregard of the Constitution of the United States by a radical Republican majority in Congress which despotically tore that document to shreds and imposed a series of illegal acts on the people of a defeated South.

History does not lie. The almost unanimous writings of historians and the testimony in official records tell us that the 14th amendment was never legally adopted as a part of the Constitution. Yet the whole integration-segregation controversy of today is rooted in that illegality. The Supreme Court of the United States based its decision in 1954 on the unmentioned assumption that the 14th amendment is valid.

It is a shameful truth that, ever since the 14th amendment was allegedly adopted in 1868, the Supreme Court has evaded passing on the legality of that "ratifying" process.

The people of the South know this. They know also that when their State legislatures—after that War Between the States was over—ratified the 13th amendment abolishing slavery, this was accepted as legal and the amendment was duly adopted. When, however, these same legislatures rejected the proposed 14th amendment, Congress capriciously declared them outside the Union and sent Federal troops to create new legislatures which were then coerced at the point of the bayonet into adopting the amendment.

We cannot gloss over these facts. We cannot ignore the feelings of bitterness and resentment they have created through the last 94 years.

Nor can we ignore the sociological aspects. The Supreme Court said in 1954 that times had changed, and it overruled what the Supreme Court in 1896 had decided to be the "law of the land"—namely, that it was legal to provide "separate but equal" facilities for the Negro in public transportation. This was subsequently interpreted as including public schools and colleges. No legal reason for overturning that 58-year-old decision was offered in the 1954 ruling. It was an emotional opinion that emphasized sociological considerations. Yet the Court ignored the sociological consequences feared by the people of the South.

For the South sees integration—not only in schools and buses, but in restaurants and swimming pools and recreation centers—as

cumulatively hastening the day of intermarriage of the races. The State laws in the South against intermarriage have not been struck down as yet, but probably will be by the Supreme Court.

How can the defenders of the illegal method of adding an amendment to the Constitution in 1868 justify in their consciences the imposition today of a social system which many people in the North as well as the South say is an interference with the freedom of the individual? For it has always been assumed that the people of a sovereign State can by majority vote choose their own way of life and manage their own educational institutions without diminishing in any way the educational opportunities of the minority.

The 10th amendment to the Constitution on which Governor Barnett has relied, says:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

It can be said positively that no legal authority has ever been granted to the executive branch of the Federal Government to manage or operate the educational institutions of the States.

Denial of admission to the University of Mississippi for the Negro student involved in the present controversy was upheld by the U.S. district court. When the case was appealed, however, the U.S. Circuit Court of Appeals reversed the order and, by a 2-to-1 vote of the judges, said the student should be admitted. Judge Dozier DeVane, who dissented, said in part:

"In my opinion, Judge Mize was correct in finding and holding that appellant bore all the characteristics of becoming a troublemaker if permitted to enter the University of Mississippi, and his entry therein may be nothing short of a catastrophe."

But apparently the university authorities are to be deprived of their right to pass upon the qualifications of applicants.

The argument is made, of course, that the Supreme Court of the United States, in the desegregation decision of 1954, relied on the 14th amendment, which provides that no citizen may be denied "equal protection of the laws." Even if the 14th amendment were a valid part of the Constitution, a case could be brought to court to decide whether "equal protection" means that a university must admit students on the basis of race and not on the basis of scholastic standing or individual fitness.

But the 14th amendment is not valid.

The words of a State in the North are pertinent. In October 1868—3 months after Secretary of State Seward dubiously proclaimed the 14th amendment as ratified—the Oregon Legislature, which had earlier voted to ratify, passed a rescinding resolution and declared that the "ratifications" by the Southern States were "usurpations, unconstitutional, revolutionary and void," and that "until such ratification is completed, any State has a right to withdraw its assent to any proposed amendment."

Since those days, the Supreme Court has declined to decide whether an assent once given by a State can be withdrawn. It has also refused to rule on the constitutionality of a law passed by Congress declaring the Southern States out of the Union and denying them congressional representation until such time as they ratified the 14th amendment.

Amid acts of coercion and military pressure, the 14th amendment has lived on through the decades, but not until 1954 did the Supreme Court invoke it as a means of forcing the public schools of the States to bow to the Federal Government's dictation as to who must be enrolled as students.

Congress, incidentally, has never passed legislation—as stipulated in the 14th amendment—to enforce the provisions of that

amendment if they relate to educational institutions. The 1954 opinion of the Supreme Court has been accepted by the Federal Government as a substitute for an act of Congress. It is still, however, the duty of the courts to pass upon the right of a President to use military force to do what Congress has never authorized him to do.

It is easy enough to grow impatient in a debate over legal questions. The processes of justice are often slow. It was at one time easy enough for Southerners to say that to lynch Negroes accused of raping white women was merely to obey the impulses of natural law, and that there was no need to wait for the courts. It is easy enough also for Negro leaders of demonstrations to cry out today: "We have waited long enough—let's take the law into our own hands."

But these outbursts of passion will not solve anything. Only through the voice of reason can we find a solution, and it is important not to try to abolish overnight what generations of experience and custom—involved in the basic fear of racial intermarriage—have implanted. We must not accept the doctrine that "the end justifies the means." For when illegality breeds illegality, the result is chaos.

#### A STATEMENT ON MEDICARE FROM SENATOR FONG'S NEWSLETTER

**MR. FONG.** Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a statement on medicare, from a recent newsletter which I issued.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

##### A STARTLING FACT

If, instead of paying the administration proposed maximum health insurance tax of \$27.50 a year, a worker from age 20 to age 65 deposited \$27.50 each year for 45 years at 4½ percent interest compounded quarterly, he would wind up with a nice nest egg of \$4,093.78.

If he continued to invest the \$4,093.72 at 4½ percent, he could pay for an excellent medical care insurance policy not only for himself, but his family, too, with the \$194 in interest on his savings each year. He could buy far better coverage than the administration plan provided for those age 65.

Most startling of all, after he dies, his nest egg of \$4,093.78 would go to his family. Should he die before age 65, say at age 60, his family would inherit his savings of \$3,126.16. Under the administration plan he builds no nest egg. Actually, the administration will have consumed his goose.

##### BIPARTISANSHIP DEFEATS PRESIDENT'S PROPOSAL

Among the 52 Senators voting to table (kill) the administration plan were the chairmen of 10 major Senate committees (all members of the President's party), a former Democratic candidate for the Vice Presidency, and the Secretary of the Democratic conference in the Senate. The latter said the administration plan "does not provide the range, nor the quality, nor the extent of medical care needed when elderly people need it."

The Democratic chairman of the Senate Appropriations Committee (who was serving in Congress before the President was born) said: "I was not satisfied that the measure as presented was sound actuarially." The Democratic chairman of the Senate Finance Committee called the administration's plan a misguided effort which could disappoint them (the elderly) and impose hardship on their children."

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

**THE PRESIDING OFFICER.** The next committee amendment will be stated.

**THE LEGISLATIVE CLERK.** On page 9, after line 16, it is proposed to strike out:

SEC. 109. No funds appropriated by title I of this Act, except funds appropriated under that section entitled "American hospitals abroad (special foreign currency program)" shall be expended in, or for the benefit of, any nation whose government is based upon that theory of government known as Communism.

And, in lieu thereof, to insert:

SEC. 109. No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended (except section 214(b)) to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries:

Peoples Republic of Albania,  
Peoples Republic of Bulgaria,  
Peoples Republic of China,  
Czechoslovak Socialist Republic,  
German Democratic Republic (East Germany),  
Estonia,  
Hungarian Peoples Republic,  
Latvia,  
Lithuania,  
North Korean Peoples Republic,  
North Vietnam,  
Outer Mongolia-Mongolian Peoples Republic,  
Polish Peoples Republic,  
Rumanian Peoples Republic,  
Tibet,  
Federal Peoples Republic of Yugoslavia,  
Cuba, and  
Union of Soviet Socialist Republics.

**MR. PROXMIRE.** Mr. President, I yield myself 10 minutes.

This committee amendment is similar to the preceding amendments, because it means granting to the President of the United States discretion to determine whether the United States will give assistance—and the realistic effect of it is whether we will give foreign aid—to Yugoslavia and to Poland, as we have done in the past. I am certain that the argument will be made that none of us wants to give aid to the Communists, but we ought to give the President discretion to give that aid if it is in our national interest.

We ought to know what will happen if we agree to this amendment, because it has been in the law for the past several

years. Any President—whether it be President Truman, President Eisenhower, or President Kennedy—can find that it is vital to the security of this Nation to give aid to those countries; and he will do it. From experience we know he will do it. That is a fact. We should face it. Should we give aid to Yugoslavia and Poland, or should we not?

I think we should understand that what is being called for is not a warlike action; it is not calling for an embargo; it is not calling for an interruption of trade. In this kind of amendment, all we are saying is that we should not give assistance, we should not give the hard-earned money of the taxpayers to Communist countries.

The Senator from Minnesota [Mr. HUMPHREY] said he recalled when he had opposed aid to Spain and that he was wrong. Why was he wrong? He said he was wrong because Spain gave us an air base.

I ask, what base will we get in Yugoslavia or Poland? We know we will not get any military advantage, and we never have, although we have given Yugoslavia more than \$2 billion worth of aid.

What we are seeking in opposing the amendment of the Senate Committee on Appropriations is very modest indeed. I discussed all this before, so I shall be brief now. Tito has been an apologist for and a supporter of Khrushchev. For the past 2 or 3 years, at least, he has been consistently on the side of the Soviet Union. With one or two minor and unimportant exceptions, he has voted with Khrushchev and against the United States in the United Nations. Twenty-nine times in the past 2 years Tito voted with Khrushchev on important issues that separated the United States and the Soviet Union. Six times he voted with us, and on none of those six occasions was his vote substantially significant in terms of determining the outcome. Again and again Tito has apologized for the action of Khrushchev as democratic, including the abrogation of the moratorium on nuclear testing. He has supported Castro and has supported Ulbricht, in East Germany, and has opposed West Germany. He has made no bones about the fact that he is a militant Communist, interested in international communism and in the achievement of world communism. He has used his country's resources in his own foreign aid program in order to build up communism throughout the world. That is an old story.

But I call the attention of the Senate to what has happened since we passed the authorization bill which gives the President and the Department of State authority to aid Yugoslavia.

I refer to the CONGRESSIONAL RECORD of July 23, in which I placed an article written by Paul Underwood, published in the New York Times. The article reads, in part, as follows:

**YUGOSLAV LIBERALS WARNED TO HEED PARTY LINE—TITO AID TELLS COMMUNISTS DEVIATION IS BARRED; RANKOVIC PRESSES CAMPAIGN TO ENFORCE DISCIPLINE**

(By Paul Underwood)

BELGRADE, YUGOSLAVIA, July 22.—A top Yugoslav Communist warned today that ideological deviations and "liberalist conceptions" would no longer be tolerated in the Yugoslav party organization.

Speaking at the opening session of a 2-day meeting of the party's executive committee, Aleksander Rankovic, the party's secretary and one of Yugoslavia's four vice presidents, emphasized that complete adherence to party doctrine would be demanded of every member.

This article was written after a majority of Senators had accepted the arguments, that assistance should be given to Yugoslavia, or at least that the President should be allowed to do so. Tito felt the pie counter had been opened to him again, so what did he do?

On July 23, Paul Underwood, writing for the New York Times, reported as follows:

**TITO BACKS CURBS ON LIBERAL TREND—TELLS PARTY MEETING REGIME HAS BEEN TOO LENIENT ON YUGOSLAVIA'S AUTHORS**

(By Paul Underwood)

BELGRADE, YUGOSLAVIA, July 23.—President Tito said today that the new retreat from liberalism in Yugoslavia would affect cultural life as well as politics.

Speaking at the close of a 2-day meeting of the Yugoslav Communist Party's Central Committee, Marshal Tito declared that his regime had gone too far in allowing writers freedom of expression.

Although observers generally agree that Yugoslav writers actually have had less freedom of expression than, for instance, Polish authors, the Yugoslav President asserted:

"We have had a very liberal attitude. We shrugged our shoulders, thinking nobody would be harmed if we allowed people to say and write what they wanted."

"In this we have gone too far. We certainly do not want to teach writers and tell them what they must write, but we will not allow anyone to write nonsense and caricature and distort our social life."

Anyone who believes that under the influence of American aid Yugoslavia has become more liberal has only to look at the facts of life, because this action has taken place in the past few weeks—certainly within the past couple of months. It has taken place since Congress acted to permit the President to continue aid to Yugoslavia.

On August 15, Paul Underwood, in another account from Belgrade, reported in the New York Times:

In the midst of its third straight unsatisfactory harvest, the Tito regime has decided to take direct action to enlarge the "Socialist sector" of Yugoslav agriculture.

The specific target will be the thousands of peasants who work at other jobs in addition to taking care of small landholdings.

On the basis of what spokesmen have said, it is evident that the regime plans to use taxation to force the peasants to choose between being workers or farmers. There appears to be an assumption by the Government that those choosing farming would have to join agricultural cooperatives to maintain their standard of living.

In other words, Tito has not only tightened his grip on the Yugoslav society in terms of freedom of speech, in terms of adherence to the party line, but he has also insisted on a further social-

ization and communization of the agricultural section of the economy.

On July 20, a little earlier, but after Congress had acted to permit the President to give aid to Yugoslavia, another article by Mr. Paul Underwood was published in the New York Times. The article reads, in part:

President Tito's regime is cutting down still further the tiny area in which private business is permitted to function in Communist Yugoslavia's economy.

Under new regulations, private taxis will be eliminated within a year. Private trucking and hauling will also be banned within 12 months.

Craftsmen will not be permitted to engage in general production, but will be limited to performing services. Private craftsmen, moreover, will be barred from working on building projects financed with public funds.

Finally, Mr. Victor Riesel, in an article published in the Milwaukee Sentinel, in July wrote:

On June 28, a Communist Chinese delegation in Belgrade signed a \$6 million trade agreement with the Yugoslav Government. When the Belgrade government officially announced this it reported an agreement with the Chinese Peoples Republic.

That is Mao Tse-tung's Peiping government. That is the enemy. If we're not fighting the Communist Chinese now in South Vietnam, then we're sending those helicopters out to shadowbox with smoke columns. Obviously Marshal Tito is aiding our enemy. With what?

The Belgrade-Peiping agreement calls for Yugoslavia to send aluminum and copper products, seamless tubes, cellulose, chemicals, polyvinyl chloride, tools, cables, tractors, as well as consumer goods. If most of these goods are not potential war material, Tito is czar Nicholas in disguise.

All this has been going on since March 25, 1960. A new agreement is signed each year. This means Tito has been sending Peiping millions of dollars worth of vital equipment while we have been lending him millions.

Mr. President, this is an old situation. A similar proposal has been adopted after many days of debate in the Senate this year and in past years. This year the Senate won a victory by providing that no development loan should be made available to Yugoslavia; and the bill as passed by the Senate did not provide any Presidential discretion in that connection. However, after the Senate modified the provision in that way, the conferees gave in to the House position and agreed to the House language.

Now this battle has been won in the House, and those in the House who wished to go on record politically against aid to Yugoslavia have done so; but now they apparently expect the Senate to "take them off the hook."

Mr. President, the issue is very clear. Senators who oppose aid to Yugoslavia should vote "No" on the question of agreeing to this committee amendment, for it is clear that if the committee amendment is enacted, our aid will continue to go to Yugoslavia.

The PRESIDING OFFICER. The time the Senator from Wisconsin has yielded to himself has expired.

Mr. PROXIMIRE. Mr. President, I yield myself 1 more minute.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 1 more minute.

Mr. PROXIMIRE. Mr. President, it is clear that under the advise and consent clause of the Constitution, the Senate has every right to insist on having its views in connection with such matters respected. How would an amendment providing that no aid shall be given to a Communist country interfere with the President's exercise of discretion in carrying on the foreign policy of the United States? After all, the Constitution does not delegate to the President the legislative power. I cannot understand why every time some of us take a position against a proposal which cannot be defended on any other ground, it is argued, "You must trust the President." I was elected by the people of Wisconsin; and my responsibility is to them, not to the President. I agree with most of the proposals contained in this bill; but I see no reason why, in dealing with even a small amount of aid to Yugoslavia or Poland, we cannot say "No." Otherwise, one would be forced to conclude that the advise and consent clause of the Constitution gives the Senate no effective voice. However, I believe that provision of the Constitution means something.

#### REVISION OF FORMULA FOR APPORTIONING CASH ASSISTANCE FUNDS TO STATES UNDER NATIONAL SCHOOL LUNCH ACT

Mr. ELLENDER. Mr. President, I ask the Chair to lay before the Senate a message from the House on House bill 11665.

The Presiding Officer (Mr. PELL in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JORDAN of North Carolina, Mr. EASTLAND, Mr. YOUNG of Ohio, Mr. HART, Mr. HICKENLOOPER, Mr. YOUNG of North Dakota, and Mr. COOPER conferees on the part of the Senate.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. DODD. Mr. President—

Mr. PROXIMIRE. I yield 3 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 3 minutes.

Mr. DODD. Mr. President, I merely wish to go on record again in support of the position the Senator from Wis-

consin has taken on this phase of the bill.

It seems to me the record is perfectly clear, and I think the arguments submitted by the Senator from Wisconsin are unanswerable.

In reply, we are met with the worn out argument that we should not tie the President's hands; that he has this power, and that we cannot say "no." But, Mr. President, that argument is so threadbare and worn out that the American people now see through it. After all, the Gallup poll shows that 75 percent of the people of the country are opposed to this sort of business. I know from the considerable amount of mail which I receive from my constituents that they are opposed to this sort of thing.

Nevertheless, we seem to be unable to work our will, because every time we try to do what our constituents want, we are deflected from our goal by softening language which renders our amendments meaningless.

Mr. President, I think that, at least to some extent, confusion is caused by that sort of thing.

I commend the Senator from Wisconsin for his forthright, direct approach to this problem.

We have seen such efforts to avoid, by backpeddling or backing away, the issue which confronts us. It is easy to do that and to make speeches about the constitutional system; and it may be that for a while such a position will appear to satisfy those on both sides of the fence. But sooner or later one's words will come back to haunt him, as they have come back to haunt other Members of this body.

Mr. President, I cannot believe that any Member of the Senate does not believe in his own heart that we are facing an implacable enemy, that Yugoslavia is as much our enemy as is Communist Soviet Russia, also that Communist Poland is as much our enemy as is Communist Soviet Russia, and that the distinctions and differences that are drawn between them are only in degree, not in kind.

So I say to the Senator from Wisconsin and to those who have stood with him in this fight—not only this year, but also last year and in previous years—that perhaps we are serving a useful purpose, even though this fight has been wearisome and discouraging. I have no illusion about the result of the vote which is about to be taken, because I have seen this fight waged before. I saw it 9 years ago, when I was serving in the other body. It was argued that Yugoslavia and Poland needed such help if they were to get away from the Kremlin. They have had many long years to get away from the Kremlin; but the record shows that every year they are getting closer to the Kremlin; and each year, while our people are being taxed more and more, some of their taxes are used to give this aid and comfort to our enemies.

So the Senator from Wisconsin and others of us have been making this struggle because we believe it is necessary to face the facts of life, rather than

to ignore them. That is why I am backing the position taken by the Senator from Wisconsin, who has been a leader in this fight. He seems to be able to see the issue clearly, in a way that many others do not. I am confident that time will justify his stand.

The PRESIDING OFFICER. The time yielded to the Senator from Connecticut has expired.

Mr. HUMPHREY. Mr. President, I yield 1 minute to the Senator from Wyoming [Mr. McGEE].

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 1 minute.

Mr. McGEE. Mr. President, it is said that we are trying to soften our assault on the Soviet Union. But, Mr. President, the purpose of giving the President the discretionary power provided by means of the pending committee amendment is to increase the fluidity of our capability of coping with the Soviets. In the interest of strengthening our position in our struggle against the Soviets, certainly we cannot afford to refuse to give aid to a country which is engaged in a struggle with the Soviets.

I believe it was Machiavelli who taught, long ago, that in war, where no holds are barred, one of the best ways to strengthen one's position against one's enemy is in the area of weakening his strength by giving encouragement to his allies when they differ with him. We may be sure that when the men in the Kremlin are projecting their determination against us, they are not neglecting giving consideration to those who are our friends; likewise, we may be sure that if those in the Kremlin think they can harm our friends, they will not hesitate to do so. But certainly that can be a two-way street; and certainly we should not neglect any opportunity to forge even tighter the circle around the Soviet Union. But, Mr. President, in doing that, words are not enough; and positive aid by us to those who disagree with the Soviets is very important.

It seems to me that is precisely the point in connection with this amendment. The amendment does not provide that the President may be "soft" in dealing with Yugoslavia or with any other country or area. The amendment only gives the President authority to make a decision; namely, to decide in favor of giving aid to such a country if he believes such aid and assistance will be in the national interest.

I submit that the judgment of the President on this question, and the confidence of the Congress on this question, ought to be sufficient in the national interest to make our case for the discretionary authority that this simple committee amendment suggests.

I remind the Senate on that point that we are only enforcing here, in another context, the sort of thing we just enacted in the preceding amendment.

I remind Senators, further, of an old adage that is commonplace in the power politics of the world, ugly as it must become almost intermittently and that is, "When your house is on fire is no time to inquire into the morals of those who carry the water buckets," and that it is

imperative and incumbent upon us at this time to use every available capability, including that of eroding behind the iron curtain the so-called sources of strength of the men in the Kremlin.

Mr. SALTONSTALL. Mr. President, will the Senator yield me 2 or 3 minutes?

Mr. McGEE. Yes, I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The situation with respect to this amendment is almost exactly the same as it was relating to the amendment just defeated. This amendment contains the language of subsection (f), section 620, of the authorization act passed 2 months ago.

I invite the attention of Senators to the fact that in the previous sections concerning Cuba and importations into Cuba, the President has to find it contrary to the national interest. In respect to the amendment we are now considering, the restriction may not be waived pursuant to any authority contained in this act unless the President finds and promptly reports to the Foreign Relations and Appropriations Committees of the two Houses that:

(1) Such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and

(3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries.

A number of countries are listed; as was done in the authorization act.

In other words, before the President can give any aid, he must affirmatively find that it would be vital to the security of the United States.

As we adopted the language of the committee in the last amendment, and defeated the amendment to strike that language out, I hope we will take the same action in this case, because this language is stronger. The President has less discretion. I believe we should leave alone the amount of discretion we have provided in the bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. HUMPHREY. As the Senator knows, the language the Committee on Appropriations placed in the bill is identical, word for word, with the language in the authorization act which was adopted by the same Senate—

Mr. SALTONSTALL. On August 1, 1962.

Mr. HUMPHREY. On August 1, 1962. So we have already approved this language in the authorization act. We have carried it over into the appropriations bill. So there can be no question about the seriousness of the purpose of the language.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. I am opposed to loans or grants to Poland or Yugoslavia, and I have been for years. But this language provides that no assistance shall be furnished to Communist countries—and it lists them—and it states that the re-

striction cannot be waived under any conditions unless the President finds three things. The first of the three, and the most important, is that such assistance is vital to the security of the United States. The second is that the recipient country is not controlled by the international Communist conspiracy. And the third is that U.S. aid will promote the independence of the recipient country.

It is almost impossible for me to understand the conditions under which the President could make such a finding. He has to make such a finding or no aid will go to that country.

I think it is highly desirable also to provide that the President shall furnish the factual basis for any finding which he makes, and that that finding shall be public property, just as I shall propose to do with reference to the section ahead.

If we accept any such language, it seems to me we must give the President some leeway. He is running the foreign policy of the country; we are not. We can lay down guidelines, but it is conceivable that there may be a situation in which such aid, in a limited area, may be vital to the security of this Nation. It is very difficult for me to understand why it would be, but I think, if the President makes that finding, he should make it to the public, to the American people, so they can judge whether it is a sound finding or not.

Mr. HUMPHREY. I think the Senator's suggestion on this section of the bill, section 109, is as relevant as it was to the one relating to Cuba. I will support that suggestion, as I indicated privately.

Mr. President, I yield myself 2 more minutes.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. JAVITS. In the first place, I agree with the Senator from Minnesota about making public the President's findings and communications to the committees. I am glad my colleague, the Senator from New York [Mr. KEATING] has proposed that it be done. I think this is exactly what we would do, anyway.

I think it is entirely proper that the case should be made very clear on the merits. I have been in Poland. I have also been in discussion with the Appropriations Committee on this subject. I would add to what has already been said one further point: In my own view, from my own observation, the people of Poland value the fact that the law states the President may do so, because that differentiates them from the Russians, which is very much to our interest, whether we act or do not act.

As my colleague [Mr. KEATING] has said, it is very hard to see how the President, under this definition, could act at all; but the mere fact that the Poles are identified as being in another category, on the basis that they have made assertions of independence of the kind they have already made, and perhaps now they are in a trough and are not making

any, but tomorrow they may make them again, keeps them different from the Russians in the eyes of America. This is a critically important fact to them, if we want to let the light continue to burn in the Polish breast as it has burned. It is very much to our interest that we do so. The fact that we do it is important to that part of the world. I hope that provision will remain in the bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. SALTONSTALL. I believe the records of the Foreign Relations and Appropriations Committees are open to every Member of the Congress. Unless they are marked secret, or some other such classification, they are made public, or at least they are made available to every Member of Congress, and thus to the public.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. KEATING. The difficulty is—and we have encountered it time after time—that they are locked up in the committees. We can look at them, but they are all marked "secret" and we cannot breathe a word about what we have seen there as hearing on the foreign authorization this year revealed, many members of that committee were unaware of the existence of the reports. My amendment proposes that the reasons, if given by the President, shall be publicly known; and that is not the case today.

Mr. SALTONSTALL. I have no objection to what the Senator is saying.

I would like to make one further point while I am on my feet, with the permission of the Senator from Minnesota, and that is, that if this amendment is defeated, it will prevent the use of funds to support people-to-people programs where the Communist government itself is not involved. The Senator from Minnesota and I debated that particular point during the consideration of the authorization bill. We advocated programs which would be people-to-people programs.

Mr. HUMPHREY. Yes; I would affirm such programs, not defeat them.

Mr. PROXMIKE. Mr. President, I yield 3 minutes to the Senator from South Carolina [Mr. THURMOND].

Mr. THURMOND. Mr. President, I am opposed to this committee amendment. I opposed this provision in the authorization bill, and I oppose it now. It does not make sense to me, and I do not believe it makes sense to the American people, that we should give funds to any country that is classed as a Communist country or has a Communist government. All Communist governments, whether of the so-called independent variety or not, are dedicated to the same goal—eventual world domination.

If we do not adopt the House language, the Senate is contributing to the downfall of what the United States of America has always stood for.

In my judgment, the responsibility lies on the Congress to make the determination of what is in the best interest of our national security. If we should

adopt the suggested language, Congress would be abdicating its responsibility and laying it upon the President.

On page 10, subsection (2) provides—the recipient country is not controlled by the international Communist conspiracy;

Naturally, the President would have to rely upon the State Department to make the determination.

Mr. President, the State Department has been leading this country down a blind alley for many years. This country has been losing the cold war. Since the end of World War II, some 15 countries and 900 million people have gone behind the Iron Curtain. How many countries have come out from behind the Iron Curtain? Not a single one. I think this is evidence that the policies we have been following are defeatist and well deserving of the description, "No win." The American people do not favor this type of policy.

In my judgment, we shall be making a great mistake if we do not permit the House language to stand. The House amendment provides:

No funds \* \* \* shall be expended in, or for the benefit of, any nation whose government is based upon that theory of government known as communism.

Mr. President, why should we give funds to any country with a government which is Communist? Again I say that communism is the enemy of America. The goal of communism is to dominate and enslave the people of the United States and of the world.

If we adopt the amendment, we shall be helping the Communists to accomplish those objectives. I am not in favor of having Congress abdicate its responsibility and leave the determination to the President, especially since, in reality, it would be made by the State Department.

It is my judgment that we should be firm. We should not build up our enemies, the Communist countries, because that will make them stronger, and in the end they will use their stronger economies against us. If we help Yugoslavia and Poland to build up their economies, inevitably this strength will be used against us.

I think that would be a great mistake. I urge the Senate to reject the committee amendment.

Mr. PROXMIKE. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 2 minutes.

Mr. PROXMIKE. Mr. President, unfortunately I think the amendment is misunderstood. There is no more able Senator than the distinguished senior Senator from New York [Mr. JAVITS], but he made an error which I had made a little earlier. This language would not affect Poland. This language would not affect Poland at all. It would have nothing to do with the Public Law 480 food, and we give nothing else to Poland.

If we are realistic about this proposal, we must recognize it would affect only a \$10 million development loan to Yugoslavia in the coming year, nothing else.

The vote which is about to be taken is to determine whether Yugoslavia should

get that loan. I say that on the basis of the conduct of Yugoslavia for the past year or two this is the least disciplinary action the Congress ought to take. That is all the language would affect.

We have no program for any other kind of economic aid to any other Communist country.

Mr. President, if I were a betting man I should be happy to make a little side bet with anyone. I would hope to lose it, but I suspect that I would win it. When the Senator from New York [Mr. KEATING] offers his amendment, I know it will be accepted overwhelmingly by the Senate, and Senators will say, "Now we can make some progress in this regard." But I should like to make a little side bet that such a provision will not come out of the conference. Such a thing has happened time and time again.

The modifying language restraining aid to Communist countries will go to conference, and, as I can envision, there will be all kinds of reasons stated why it should not be accepted. Then the bill will come back from the conference without the language. We shall be faced with the question of voting for foreign aid or nothing. The conference report will be unamendable. There will be a minimum of debate, with some unhappiness expressed on the part of some Senators, and we shall end up with exactly the committee provision, with no provision requiring that the President's reasons be made public. We shall be back where we started.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from New York.

Mr. KEATING. It is certainly my intention either to ask for a year-and-nay vote—I would dislike to detain the Senate in that regard—or to ask for a standing vote, to try to copper rivet the amendment into the bill by showing an overwhelming vote of support by the Senate.

Mr. PROXMIRE. That is an excellent idea. I predict that the Senator's proposal will receive an overwhelming vote of support. However, on the basis of our experience in the past, I would be happy to bet, at any odds, that it will not survive the conference.

Mr. KEATING. If the Senator will yield, the proposal will be cosponsored by the distinguished assistant majority leader [Mr. HUMPHREY], who I believe will be one of the conferees.

Mr. HUMPHREY. No. I am not a senior member on the Appropriations Committee.

Mr. KEATING. At any rate, I should be willing to make a little side bet—out of the Chamber, of course—with my friend that, if the amendment is offered and if it is agreed to by an overwhelming vote, it will be retained in the bill. I expect that it will be. I shall try to see that it is. I know the Senator from Minnesota [Mr. HUMPHREY] and many other Senators will, also.

Mr. PROXMIRE. Mr. President, I wish to make it clear—and perhaps I disagree with the senior Senator from Minnesota in this regard—that the Senate voted by a substantial majority, as to the authorization bill, exactly the posi-

tion which I am asking the Senate to support now. That is what we would be doing by going back to the House language.

Later the House took a different position, and on the conference report we in the Senate yielded. When the Senate votes on this specific issue, if Senators wish to be consistent, we should retain the House language today, and the Appropriations Committee language should be rejected.

Mr. HUMPHREY. Mr. President, the purpose of this amendment is clear. It has been thoroughly debated before, and this Chamber decided in this same session that this approach to foreign policy is wrong. We cannot legislate a foreign policy. We can make our attitude toward communism and our desire not to assist communism clear, and this has been done in this session. But we cannot conduct our foreign relations from this floor. The President must carry this responsibility and we must not tie his hands by action which is unnecessary and harmful.

In our desire to make our anti-Communist position a matter of record we are running the risk of seriously damaging our country's position abroad, of crippling the policies which have served us well, and of eliminating all room for maneuver in a cold war situation which does not call for increased polarization of the opposing positions, but which offers us the opportunity, if we are wise enough, to exploit the already weakening solidarity of the enemy. At precisely the time when Khrushchev is struggling with all his might to pull his camp together—back toward that solidarity Stalin once had, but which we must hope is never achieved again—we are being asked here to help him in his efforts. We are being asked to tell him and our allies in this vital struggle that we have no interest in seeing his allies weakened in their determination, and no interest in any difference of view within the Soviet bloc. We are being asked to say that we have no concern whether or not these countries are good, bad, or indifferent allies of the Soviet Union. Are we willing to say this to the world? I hope not. I would hope that we would seek to have a policy that promotes some independence and freedom of action. What are we trying to accomplish by the proposal of the Senator from Wisconsin? We are not choosing here between aid or no aid for communism. We are choosing between Presidential authority to conduct a sound foreign policy on the one hand, and a rigid and unthought-out intensification of the cold war on the other.

Mr. PROXMIRE. Mr. President, if the Senator from Minnesota is ready to yield back his remaining time, I am ready to yield back my remaining time.

Mr. HUMPHREY. The majority leader asked me to yield him 1 minute. I yield back all but 1 minute of my time, Mr. President.

Mr. PROXMIRE. Mr. President, I yield back all my remaining time.

Mr. MANSFIELD. Mr. President, I invite the attention of the Senator from New York [Mr. KEATING], and of the

Senator from Wisconsin [Mr. PROXMIRE], to the fact that gambling is illegal in this Chamber, and bets should not be made, because everyone knows there will be no "payoff."

I point out that the committee amendment which is sought to be stricken provides the exact language which was passed by this body and by the other body in the foreign aid authorization bill earlier this year. It appears to me that we ought to give what authority is contained in the act to the President, so that in his discretion he can do what he considers to be in the best interests of the United States. That is his responsibility. That is his job.

The least we can do, I think, is to extend to the President the authority under this act which we have already given to him, in effect, under the previous legislation.

The President will be pretty much bound by what is stated in the committee amendment. He will not have much leeway. I would hope we would not take away what little leeway he will have left. I hope the committee amendment will be upheld.

Mr. PELL subsequently said: Mr. President, the September 29 edition of the Providence Journal contained an excellent editorial concerning our relations with Poland and Yugoslavia. It points out that by withdrawing most-favored-nations treatment we have "forced those nations deeper into the Soviet orbit."

With respect to the foreign aid appropriations bill, I very much regret that the House did not see fit to provide for Public Law 480—assistance to Poland and Yugoslavia. I intend to support the Senate committee amendment which would authorize such assistance since I thoroughly agree with the editorial from the Providence Journal previously cited, that—

If foreign aid should be cut also, Poland and Yugoslavia virtually are excluded from the Western economic sphere and are delivered to the Kremlin as economic dependencies once again.

While I do not favor military aid to Poland or Yugoslavia, I do believe that it is in our national interest that the President be authorized to extend economic assistance, such as the surplus food program, since I believe it is in the best interest of the United States to encourage independence from Soviet domination within the Communist empire. I cannot see how depriving children of school lunch programs or cancelling feeding programs for underprivileged people in hospitals or homes for the aged will hurt Gomulka, Tito, or least of all, Khrushchev.

I ask unanimous consent that the full text of the editorial be printed following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### CONGRESS PLAYS INTO THE RUSSIANS' HANDS

There is profound contradiction in the comprehensive trade bill, as finally approved by a Senate-House conference and as expected to be passed by Congress some time next week. The contradiction rests in the present bill's conflicting provisions, at once

helping and harming the West in the cold war.

On the one hand, the bill gives the President the unprecedented tariff-cutting authority he requested in order to keep trade flowing between the United States and the Common Market, thus strengthening Atlantic unity.

In this central area, which prompted President Kennedy to describe the trade bill as his most important piece of legislation this year, Congress demonstrated a statesmanlike capacity to rise above solely partisan or local concerns and to act in the national interest.

On the other hand, the trade bill emerging from conference demands that the President withdraw "as soon as practicable" the tariff concessions already granted Poland and Yugoslavia under the most-favored-nation policy. It also bans future trade concessions to all Communist nations, including Poland and Yugoslavia. A similar provision has been knocked out of the Senate foreign aid bill by the Appropriations Committee, but is contained in the House-passed aid bill. Unhappily, if the course of the trade bill has set a precedent, the restriction on executive discretion would be restored in a Senate-House conference, unless the Senate has a real change of heart.

The reasoning is understandable as Soviet intensification of the cold war heightens popular indignation against communism in any form. Yet it is illogical, in that the prohibitions against Yugoslavia and Poland serve to strengthen the hand of the Kremlin.

The Soviet Union has been troubled in recent years and months by revolts of varying intensity from its authority over governments that are otherwise Communist. Leaders in this campaign forcing a decentralization and modification of Communist power within the Soviet camp are Yugoslavia and Poland.

Now, however, their vital trade ties with the West, ties that have given particularly Yugoslavia the economic independence needed to support political sovereignty, are being cut off or frayed. Operation of the Common Market, by encouraging internal trade among the Inner Six member states of West Europe, makes it harder for such "independent" Communist states to compete in West European markets.

The tariff rebuke aimed at Yugoslavia and Poland in the trade bill will reduce their access to the American market, encourage anti-Americanism and force those nations deeper into the Soviet orbit. An indication of the potential impact of all this on Yugoslavia, for instance, is contained in its trade statistics for 1961. In that year, Yugoslav trade with Western Europe and the United States together amounted to \$945 million, compared to \$150 million with the Soviet Union and \$265 million with the Communist nations in Eastern Europe.

If foreign aid should be cut also, Poland and Yugoslavia virtually are excluded from the Western economic sphere and are delivered to the Kremlin as economic dependencies once again.

All this is bad enough. But the process contains the added danger of accelerating the polarization of Europe into two distinct camps and of eliminating buffer areas of relative independence, where evolutionary forces still can work to lessen Soviet power and confound Communist doctrine.

The damage has been done beyond the possibility of repair in the case of the trade bill. In the light of that action, it is unlikely that the prohibitions against Poland and Yugoslavia will be extracted by the Senate from the House version of the foreign aid bill.

But Americans should appreciate the risk they run in making Poland and Yugoslavia targets of reprisal because of their detestation of the Kremlin. Poland and Yugoslavia

are not Communist by choice and will not fall into the Kremlin's tight control unless we give them no other choice.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the pending question.

The PRESIDING OFFICER. The yeas and nays have been requested.

The yeas and nays were ordered. The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 9, after line 16. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Oklahoma [Mr. MORNONEY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Alabama [Mr. HILL] would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from South Dakota [Mr. BOTTRUM]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from South Dakota would vote "nay."

On this vote, the Senator from Illinois [Mr. DOUGLAS] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Tennessee [Mr. GORE] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Alaska would vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTRUM], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Maryland [Mr. BUTLER], the Senator from Kentucky [Mr. MORTON], the Senator from Vermont [Mr. PROUTY], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Maryland [Mr. BUTLER], the Senator from New Hampshire [Mr. COTTON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Utah would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Vermont [Mr. AIKEN] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting the Senator from Vermont would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from South Dakota [Mr. BOTTRUM] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Pennsylvania would vote "yea."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Illinois would vote "yea."

The result was announced—yeas 39, nays 37, as follows:

[No. 295 Leg.]

YEAS—39

Bartlett	Humphrey	Muskie
Beall	Jackson	Neuberger
Boggs	Javits	Pastore
Burdick	Keating	Pell
Bush	Kefauver	Randolph
Byrd, W. Va.	Kerr	Saltonstall
Carroll	Long, Hawaii	Smith, Mass.
Case,	Mansfield	Sparkman
Cooper	McCarthy	Symington
Engle	McGee	Wiley
Hart	McNamara	Williams, N. J.
Hayden	Metcalf	Yarborough
Holland	Moss	Young, Ohio

NAYS—37

Allott	Hartke	Murphy
Bible	Hickenlooper	Pearson
Byrd, Va.	Hruska	Proxmire
Cannon	Johnston	Robertson
Carlson	Jordan, N.C.	Russell
Church	Jordan, Idaho	Smith, Maine
Curtis	Kuchel	Stennis
Dodd	Long, Mo.	Talmadge
Eastland	Long, La.	Thurmond
Ellender	McClellan	Williams, Del.
Ervin	Miller	Young, N. Dak.
Fong	Morse	
Goldwater	Mundt	

NOT VOTING—24

Aiken	Cotton	Lausche
Anderson	Dirksen	Magnuson
Bennett	Douglas	Monroney
Bottum	Fulbright	Morton
Butler	Gore	Prouty
Capehart	Gruening	Scott
Chavez	Hickey	Smathers
Clark	Hill	Tower

So the committee amendment, as stated, was agreed to.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, when the Senator from Oregon [Mr. MORSE] entered the Chamber, he asked me how I had voted. I said I had voted

"yea." When he reached his seat, he voted "nay."

Mr. KEATING. Mr. President, I ask unanimous consent that the Senate proceed to consider at this time, and prior to action on the other committee amendments, the two amendments which have been discussed on pages 8 and 10.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will state it.

The LEGISLATIVE CLERK. On page 9 after line 6, it is proposed to add the following:

(c) Reports made pursuant to this section shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

Mr. KEATING. I yield myself 2 minutes. The amendment has been discussed. We have sustained the language of the committee. It is the feeling of the sponsors of the amendment that if the President sees fit to determine, with regard to Cuba, that the withholding of assistance to some of our allies would be contrary to the national interest, any such determination by the President shall be public property and shall not be filed away under a top secret label in a committee room. The reasons for such determination shall be given.

It is difficult to understand how such a finding could be made, but if it is to be made, I believe it is the general feeling that the reasons should be known. I am happy to note that the distinguished Senator from Connecticut [Mr. BUSH] and the distinguished Senator from Minnesota [Mr. HUMPHREY] share this view and join me in offering the amendment.

Mr. HUMPHREY. There is the possibility that a report which might cause international complications could be forthcoming under the provision. I am sure the Senator will agree with me that in that instance some prior consultation with the committees to which the report is sent would be worthwhile and helpful, so that any report which might cause serious international complications could be appropriately altered.

I wish to make that clear, because I do not think we want to put the Government in the position of having to divulge something which might precipitate a national crisis. I doubt whether it would, but I think we ought to be open and above board in connection with the amendment, so that there will be a legislative history which will permit at least some consultation. This is not to deny the release of a report, but it is to say that there might be something in the report which would have to be given to the appropriate committees. As we frequently say when some of the top military officials are before us, we "clean up" the report or we "sanitize" it.

Mr. KEATING. Of course, the very purpose of trying to phrase the language properly is to improve, not to impede, our national security.

Mr. HUMPHREY. Exactly.

Mr. KEATING. Of course there will be consultations, as there were all the time, between the President and members of the Committee on Foreign Relations and the Committee on Appropriations of this body and the appropriate committees of the other body. That is bound to happen. But the language of this section is very strong in providing none of the aid shall be given to those countries except under special circumstances. If the President exercises his discretion and waives that language, he shall state his reasons so that the whole Nation can be aware of them.

Mr. HUMPHREY. I agree. I was saying that if perchance a particular country had to be mentioned, and to mention it might cause an international complication, as was true in the MacArthur hearings and in the case of the Cuba resolution hearings, while a full report is published, there are ways, as the Senator from Connecticut reminded me, of "sanitizing" it so that it will not violate security regulations.

Mr. KEATING. I am sure the process will continue regardless of any language that is placed in the legislation. I make this request largely because of the point made a while ago by the distinguished Senator from Wisconsin [Mr. PROXMIRE] that many of us have learned what happens as the result of the process of taking amendments to conference.

While I shall not ask for a yea-and-nay vote on the following amendment, which is to the next section, and is along the same line, I do ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. BUSH. Mr. President, I wish to make a point apropos what the Senator from Minnesota said in respect to sanitizing. It would not apply to a report to the committee, but it might apply, if necessary, to a report in the Federal Register. It should not be confused with reporting to committees.

Mr. KEATING. That is exactly correct. The position of the President in making a particular case must stand or fall, so far as the public is concerned, on what is printed in the Federal Register. And the public has a right to a reasonable degree of information on this matter.

Mr. HUMPHREY. It should be understood that the support for the major section, which will appear in section 109, on a yea-and-nay vote will be indicative of support for both amendments.

Mr. KEATING. I hope so. The language is almost identical.

Mr. PROXMIRE. Mr. President, I enthusiastically support the amendment. I wish to ask the Senator a question, because I think the answer should be made absolutely clear as a matter of legislative history. It is not the intention of the author of the amendment, is it, to permit any part of the justification to be secret?

Mr. KEATING. The Senator is correct.

Mr. PROXMIRE. If the President justifies his reasons for giving aid to countries that are trading with Cuba or lending their ships to be used to trade

with Cuba, that information is to be made public, so that the public can be informed of the reasons.

Mr. KEATING. The reasons must be laid on the line in their entirety to the American people. What he may say to the members of the committee in addition is something else; but his reasons for justification must be made entirely public.

Mr. PROXMIRE. I thank the Senator.

Mr. JAVITS. Mr. President, will my colleague yield?

Mr. KEATING. I yield.

Mr. JAVITS. When the question was considered in the Committee on Appropriations, it was my contemplation that this information would be made public. I think a formalization of that in the bill is unexceptional. I think that what the President will be giving to us, as my colleague from New York has described, will be his reasons for his determination; and the basis upon which we act, it seems to me, do not obligate him to disclose security information in giving the reasons for the particular action which he is seeking to justify. That should be published. So far as I can see now, the amendment would be self-operative. I shall support it.

Mr. KEATING. I thank my colleague.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York. The yeas and nays have been ordered.

Mr. HUMPHREY. Mr. President, would a division be satisfactory?

Mr. KEATING. That would be satisfactory to me. I wish to be certain that when the conferees go to conference, this amendment will remain in the bill.

Mr. HUMPHREY. I want to be sure of that, too.

Mr. KEATING. Mr. President, I ask unanimous consent to rescind the order for the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Mr. President, on this amendment, I ask for a division.

On a division, the amendment was agreed to.

Mr. President, I ask unanimous consent that the RECORD indicate that the amendment was unanimously agreed to.

The PRESIDING OFFICER. Is there objection?

Mr. McCARTHY. Mr. President, I was standing. I think that should prevent the vote from being unanimous.

The PRESIDING OFFICER. Does the Senator from Minnesota object?

Mr. McCARTHY. Yes. I was standing in opposition to the amendment.

The PRESIDING OFFICER. The vote was not unanimous.

Mr. KEATING. Mr. President, I ask unanimous consent that the RECORD indicate that there was only one vote against the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. McCARTHY. I object.

Mr. KEATING. Mr. President, I offer my other amendment.

The PRESIDING OFFICER. The amendment will be stated.

**THE LEGISLATIVE CLERK.** On page 10, line 11, after the words "national communism," it is proposed to insert the following:

Reports made pursuant to this section shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the factual bases for such findings.

**MR. KEATING.** Mr. President, on this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

**MR. KEATING.** Mr. President, I think everything which was said with respect to the other amendment has been said with respect to this one.

**MR. JAVITS.** Mr. President, the Senator used the word "reason" in subsection (a) and used "factual bases" in subsection (b). Is there a reason for the difference?

**MR. KEATING.** There is, because the language of the present section 109 provides that "unless the President finds promptly and reports"—and the items are set forth in certain and specific words.

In this instance, if we merely used the word "reason," all the President would perhaps have to do would be to recite what was in the law. That is the reason for the change.

**MR. McCARTHY.** Mr. President, I should like to have the amendment read again.

**THE LEGISLATIVE CLERK.** On page 10, line 11, after the words "national communism," it is proposed to insert the following:

Reports made pursuant to this section shall be published in the Federal Register within 7 days of submission to the committees and shall contain a statement by the President of the factual bases for such findings.

**MR. McCARTHY.** Mr. President, does that mean that all the facts would have to be included in the report, or that whatever the President includes in the report should be factual? If all the facts must be included, I think we are demanding that the President expose all the secret information he may have. If we say that not all the facts need be included, it seems to me we are passing judgment on the President, and saying that he might include that which is not factual, and therefore the report would be misleading. I think the amendment should be rejected.

**MR. KEATING.** Mr. President, the amendment is offered on behalf of the Senator from Connecticut [Mr. BUSH], and the Senator from Minnesota [Mr. HUMPHREY]. I ask for a vote.

**THE PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from New York.

**MR. HART.** Mr. President, those of us on this far side of the Chamber were unable to hear fully—at least, I was not able to hear—the debate about 10 minutes ago. Let me ask whether I correctly understand that the pending amendment provides that the reports made by the President to the committees shall include in full the reasons, but that the reports made public may omit some of them.

**MR. KEATING.** No. The amendment provides that the President shall state the factual bases of his findings, and that they shall be published in the Federal Register.

Of course, it is conceded that the President may have conferences with the four committees; and the conferences he might very well, in speaking to the committees, enlarge on the reasons which would be published in public documents, but I would not expect that he would give wholly different reasons or would deny in private the reasons given publicly.

**MR. HART.** Does the amendment provide that the reasons for his findings shall be made public?

**MR. KEATING.** The amendment provides that the factual basis for the findings shall be.

**MR. HART.** But such a course of action would be undesirable for several reasons. For example, if the President thought the governor of a northern province of one of these countries was about to turn against his central government, it might be that the President would find that therefore it would be in the national interest to have loans or grants-in-aid made to that province. But certainly it would not be wise to disclose that information publicly, with the result that it would reach the central government. However, that would be a factual basis on which the President might act.

**MR. KEATING.** I am sure the President would couch his statement of reasons in language which would be in the interest of our national security. Moreover, I do not think that these situations are as unknown to our enemies as they are to the American people.

Many of us have supported the proposal on the basis that the statement of his reasons which the President would make in giving his report would be published. But today it is clear that, in the absence of this amendment, they would not be made public. We would not know the reasons for waiving the very strong language approved by the Congress.

**MR. HART.** But it seems to me that such a requirement, by means of the proposed amendment, would require the President to make a report which would be meaningful if he wished it to be, or would be meaningless if he wished it to be. So that would be a futile request.

**MR. KEATING.** I disagree. After all, we are providing that no aid shall be given to Communist countries; and we make the further restriction that that prohibition shall not be waived except in a case in which the President makes the very unusual findings specified in the amendment—namely, that the assistance will be vital to the security of the United States, that the recipient country is not controlled by the international Communist conspiracy, and that the aid will further its independence from that movement. If the President makes such a finding, I think the reasons should be made public, and he should state why he believes such assistance vital to the security of the United States.

**MR. DODD.** Mr. President, will the Senator from New York yield?

**MR. KEATING.** I yield.

**MR. DODD.** It seems to me this amendment is the best possible argument for the proposition that we should not leave such discretion in the hands of the Executive. I am sorry that those of us who presented our case in connection with the Proxmire amendment did not think of this argument. But finally the opposition has revealed this argument in all its evil, because in effect the amendment provides that the President may deceive the public if he believes that to be in the national interest; and I cannot think of anything much worse.

It would be far better for us to enact the laws we think should be enacted, and thus tell the President what we want him to do. Later, if he wishes to call Congress back and request further authority, he can do so by sending his request to the proper committee; and he will not need to tell lies, either.

In short, Mr. President, we now have presented to us an excellent reason why the Proxmire amendment, which was defeated earlier today, should have been agreed to. We should correct the mistake which was made when the Proxmire amendment was rejected by a vote of 36 to 39, rather than compounding it by placing a President in a position where he may have to resort to deceit.

In short, by means of this amendment the opponents of the Proxmire amendment have revealed the utter folly of the action taken by the Senate when it rejected that amendment.

**MR. HUMPHREY.** Mr. President, will the Senator from New York yield?

**MR. KEATING.** I yield. But let me first say that I have neither accused the President—any President—of deceit nor do I interpret my amendment as an encouragement to deceit.

**MR. HUMPHREY.** In connection with the earlier action with regard to aid to Cuba, it was understood that if there were information which, if published, would be contrary to the best interests of our Nation, it would not be made public.

However, it is also important that the reasons for the action taken be known, and be known accurately. If such information, after being given to the four committees, were not published in an official way, there would always be the chance that the reports on the information might be garbled.

So I suggest that the amendment be changed, so as to read:

Reports made pursuant to this section shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons in detail for such findings.

**MR. KEATING.** Mr. President, I accept that modification of my amendment; and I ask unanimous consent that my amendment may be modified accordingly.

**THE PRESIDING OFFICER.** Is there objection? Without objection, it is so ordered.

The question is on agreeing to the modified amendment submitted by the Senator from New York, on behalf of himself and other Senators.

October 1

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

**Mr. HUMPHREY.** I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHEL], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oklahoma [Mr. MORNONEY], and the Senator from Virginia [Mr. ROBERTSON], are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Alaska [Mr. GRUENING], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], and the Senator from Illinois [Mr. DOUGLAS], would each vote "yea."

**Mr. KUCHEL.** I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Kentucky [Mr. MORTON], the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Kentucky [Mr. MORTON], the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Texas [Mr. TOWER] would each vote "yea."

The result was announced—yeas 60, nays—14, as follows:

[No. 296 Leg.]

YEAS—60

Allott	Hayden	Murphy
Beall	Hickenlooper	Muskie
Bible	Hruska	Pastore
Boggs	Humphrey	Pearson
Burdick	Jackson	Proxmire
Bush	Javits	Randolph
Byrd, Va.	Johnston	Russell
Byrd, W. Va.	Jordan, N.C.	Saltonstall
Cannon	Jordan, Idaho	Smathers
Carlson	Keating	Smith, Maine
Carroll	Kefauver	Sparkman
Case	Kuchel	Symington
Church	Long, Mo.	Talmadge
Cooper	Long, Hawaii	Thurmond
Curtis	Long, La.	Wiley
Engle	Mansfield	Williams, N.J.
Ervin	Metcalf	Williams, Del.
Fong	Miller	Yarborough
Goldwater	Moss	Young, N. Dak.
Hartke	Mundt	Young, Ohio

NAYS—14		
Bartlett	Holland	Neuberger
Dodd	McCarthy	Pell
Eastland	McGee	Smith, Mass.
Ellender	McNamara	Stennis
Hart	Morse	

NOT VOTING—26

Aiken	Dirksen	Magnuson
Anderson	Douglas	McClellan
Bennett	Fulbright	Monroney
Bottum	Gore	Morton
Butler	Gruening	Prouty
Capehart	Hickey	Robertson
Chavez	Hill	Scott
Clark	Kerr	Tower
Cotton	Lausche	

So Mr. KEATING's amendment, as modified, was agreed to.

**Mr. KEATING.** Mr. President, I move to reconsider the vote by which the amendment was agreed to.

**Mr. WILLIAMS** of Delaware. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

**Mr. KEATING.** Mr. President, I move to reconsider the vote by which my previous amendment was agreed to.

**Mr. BUSH.** Mr. President, I move to lay that motion on the table. We are referring to the previous amendment.

**The PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Connecticut to lay on the table the motion of the Senator from New York to reconsider the vote by which the previous Keating amendment was agreed to.

**Mr. LONG** of Louisiana. Mr. President, has not that already been done?

**Mr. MANSFIELD.** No; reference is being made to the previous amendment.

The motion to lay on the table was agreed to.

**Mr. ELLENDER.** Mr. President, I send to the desk, on behalf of myself and the senior Senator from Idaho [Mr. CHURCH], an amendment and ask that it be stated.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

#### FOREIGN ASSISTANCE PROGRAM

Comparative statement of unexpended balances as of close of fiscal year 1961 and fiscal year 1962<sup>1</sup>

[In millions of dollars]

	Economic assistance	Military assistance	Total
Unexpended balance June 30, 1961.....	2,366.1	2,597.7	5,963.8
Fiscal year 1962 additional resources.....	2,269.9	1,591.6	3,861.5
New appropriations.....	3 (2,270.4)	(1,600.0)	(3,870.4)
Receipts adjustments.....	(-.5)	(-8.4)	(-8.9)
 Total available for expenditure.....	5,636.0	4,189.3	9,825.3
Less expenditure fiscal year 1962.....	1,794.9	1,371.8	3,166.7
 Unexpended balance June 30, 1962.....	3,841.1	2,817.5	6,658.6
Unliquidated Obligations/Reservations.....	(3,773.7)	(2,755.6)	(6,529.3)
Unobligated/Unreserved.....	(67.4)	(61.9)	(129.3)

<sup>1</sup> Preliminary figures on military and economic appropriations under Mutual Security and Foreign Assistance Acts, excluding investment guarantee fund.

<sup>2</sup> Excludes \$11.6 million comparatively transferred to "Refugees and migrants and Peace Corps."

<sup>3</sup> Excludes \$44.2 million comparatively transferred to "Refugees and migrants."

**Mr. WILEY.** Mr. President, what the Appropriations Committee has recommended is to provide the means whereby the Government can meet head-on the challenges in foreign affairs as they exist today. This information has changed my approach to the whole problem.

**The PRESIDING OFFICER.** The amendment offered by the Senator from Louisiana for himself and the Senator from Idaho will be stated.

**The CHIEF CLERK.** It is proposed, on page 4, line 11, to strike out "\$1,450,000,-000" and insert in lieu thereof "\$1,300,-000,000".

**Mr. WILEY.** Mr. President, will the Senator yield?

**Mr. ELLENDER.** For a question.

**Mr. WILEY.** I want to place something in the RECORD.

**Mr. ELLENDER.** Will the Senator ask that it go elsewhere in the RECORD?

**Mr. WILEY.** Mr. President, when I came into the Chamber today I had in mind that I would vote against this bill. I will say why.

I have received a great deal of correspondence on this subject. A great deal of misinformation has been sent around the country in respect to the claim of some \$3.5 billion being unspent. That misinformation is as bad as that which we received with regard to the medicare bill.

I took the question up with the Government. I have learned what are the facts.

The unexpended balance which is held for no special purpose is only \$129 million, instead of \$3.5 billion.

This information comes from the authority in a position to know what is the situation.

Mr. President, I ask unanimous consent that the "Comparative Statement of Unexpended Balances" as of the end of fiscal years 1961 and 1962, showing the unexpended balance both unobligated and unreserved as \$129,300,000, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

#### FOREIGN ASSISTANCE PROGRAM

Comparative statement of unexpended balances as of close of fiscal year 1961 and fiscal year 1962<sup>1</sup>

[In millions of dollars]

	Economic assistance	Military assistance	Total
Unexpended balance June 30, 1961.....	2,366.1	2,597.7	5,963.8
Fiscal year 1962 additional resources.....	2,269.9	1,591.6	3,861.5
New appropriations.....	3 (2,270.4)	(1,600.0)	(3,870.4)
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 Total available for expenditure.....	5,636.0	4,189.3	9,825.3
Less expenditure fiscal year 1962.....	1,794.9	1,371.8	3,166.7
 Unexpended balance June 30, 1962.....	3,841.1	2,817.5	6,658.6
Unliquidated Obligations/Reservations.....	(3,773.7)	(2,755.6)	(6,529.3)
Unobligated/Unreserved.....	(67.4)	(61.9)	(129.3)

<sup>1</sup> Preliminary figures on military and economic appropriations under Mutual Security and Foreign Assistance Acts, excluding investment guarantee fund.

<sup>2</sup> Excludes \$11.6 million comparatively transferred to "Refugees and migrants and Peace Corps."

<sup>3</sup> Excludes \$44.2 million comparatively transferred to "Refugees and migrants."

**Mr. WILLIAMS** of Delaware. Mr. President, will the Senator yield?

**Mr. ELLENDER.** I yield for a question.

**Mr. WILLIAMS** of Delaware. If the Senator will yield, I should like to invite the attention of the Presiding Officer to section 115 of the bill, as it ap-

pears beginning on page 12. As I read this language, it constitutes legislation on an appropriation bill. In view of the fact that legislation on an appropriation bill is subject to a point of order, I raise that question and make the point of order against the entire section 115 as it appears on page 12, beginning on line 16, to and including line 2 on page 13.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for that purpose?

Mr. ELLENDER. I yield, if I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Delaware may proceed.

Mr. WILLIAMS of Delaware. Mr. President, as I stated, as I read section 115, beginning on line 16 of page 12 and continuing through line 2 on page 13, it appears to me to constitute a certain amount of legislation on an appropriation bill. Therefore, I make a point of order against the section, as stated.

The PRESIDING OFFICER. The Chair sustains the point of view that the language is legislation on an appropriation bill.

Mr. MANSFIELD. Mr. President, on the basis of the information I have I should be forced to agree with the ruling by the Presiding Officer and the point of order raised by the Senator from Delaware, who certainly has sharp eyes.

I understand, however, that a notice of intention to move to suspend the rules has been filed by the chairman of the committee, the Senator from Arizona [Mr. HAYDEN]; and that will be considered at an appropriate time during consideration of the bill.

Mr. ELLENDER. Mr. President, the purpose of the amendment I have offered is to reduce the military assistance program by \$150 million, so that the amount to be appropriated would be the amount allowed by the House, \$1.3 billion.

As I stated earlier in the day, the Senate Appropriations Committee heard a parade of witnesses, including Defense Secretary McNamara, the Joint Chiefs of Staff and others, all of whom advocated the full amount of money which was authorized.

I point out that it seems that after persons reach a position of power their views as to foreign aid are easily changed.

I should like to read excerpts from the RECORD for 1951 and 1952, containing statements made by the present occupant of the White House, when he took issue with many of the appropriations being made for foreign aid. I refer specifically to the RECORD for June 28, 1952, when the President was a Member of the House. He offered an amendment, as to which he said:

Mr. Chairman, I offered a similar amendment to cut the military assistance to the South American Republics last year, and I am offering it again now to cut \$20 million. It does not seem to me that there is any use spending as large an amount of money as this on military equipment to South American countries.

I point out that in the bill before the Senate there is an item of almost \$80 million for military assistance to South American countries.

On another issue, that of technical assistance, one of the programs which is least objectionable, I wish to again read from what the Chief Executive stated under date of August 17, 1951, when he offered an amendment to cut back technical assistance. At that time the amount asked was \$175 million, and he sought to reduce it to \$140 million. I read a short excerpt from his speech:

I cannot believe that we are going to spend this money merely to set an example to these countries, some of which are ruled by an oligarchy, which they might follow in the future themselves. I believe in military assistance to this area and that it is a good thing, but I do not think that we can afford in this country to raise the standard of living of all the people all over the globe who might be subject to the lure of communism because of a low standard of living.

That was the President speaking in 1951. Evidently he has been urged to change his view, as have other Cabinet officials.

We have heard the Secretary of Defense and the Joint Chiefs of Staff not only of this administration but of past administrations, who have marched before the committee to urge appropriation of the full amount requested.

Mr. President, the amendment I have offered would provide nothing unusual. In the past the Congress has cut these military assistance items every time the bill has come before it. I remember distinctly that I was instrumental in having this item reduced in several appropriation bills.

I hope Senators will listen to this presentation, because I believe I have evidence to show that the reduction I urge should be made. It would do us no harm and on the contrary, it would do us a great deal of good.

For fiscal year 1953 we cut the request made by the administration for military assistance \$378 million.

The next fiscal year, 1954, we cut this same item request \$418 million.

The next fiscal year we cut it \$387 million.

The next year we cut it \$420 million.

The next fiscal year, 1957, we cut it \$982½ million. For fiscal 1958 we cut it \$260 million. For fiscal 1959 we cut it \$285 million. For fiscal 1960 we cut it \$300 million. For fiscal 1961 we cut it \$200 million. Last year we cut it \$285 million.

The amount of the reduction I am asking tonight is only \$150 million.

I should like to point out the reasons for the proposed cut. We have been told by military men that we should have in the pipeline only orders that can be filled in 22 months. In other words, the lead-time should not be in excess of 22 months.

I now point out to the Senate what the situation is as to leadtime items all over the world. Today we are providing for the countries of Western Europe, which are well able to take care of themselves, in excess of \$300 million,

and to eight of them—Belgium, Denmark, Italy, the Netherlands, Norway, Portugal, Spain, and the United Kingdom—\$279,403,000. I cannot itemize the amount to be given to each, because that has been labeled "secret."

To the countries of the Middle East, Near East, and south Asia we would provide \$418 million.

Mr. President, our pipeline has been increasing each year since 1960. For example, in the fiscal year 1960 we had in the pipeline \$2,269 million. In fiscal year 1961 we had \$2,597 million. In the fiscal year 1962 we had \$2,791 million. In 1963 we would have \$2,940.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. Would that be military assistance alone?

Mr. ELLENDER. Yes.

Mr. SYMINGTON. I thank the Senator.

Mr. ELLENDER. That is military assistance. In other words, the amount has been increasing from \$200 million to \$400 million each year.

Going back to the pipeline, today we have in the pipeline for Western Europe \$878,601,000. In addition, we are seeking to give to those same countries that have a pipeline \$878,279,000 more. The testimony shows that we ought to have a minimum of 22 months' leadtime in respect to all these items that are included in the pipeline.

I wish to show to the Senate what has occurred, basing my statement on the amount of money that we spent for military assistance last year.

Consider the case of Belgium. In the pipeline for Belgium is \$62,382,000. Last year we made available to Belgium \$17,888,000. Instead of having a leadtime of 22 months, Belgium has a leadtime of 41.8 months. So we could easily cut from that amount—or squeeze it out—and give the assistance where it is necessary elsewhere in the world if that were necessary, without having to increase the appropriations.

Consider Denmark. In the pipeline for Denmark is \$82,852,000. Last year all we had made available to Denmark was \$20,281,000. Denmark has a leadtime of 49.1 months, instead of the usual 22. It can be readily seen that we could take some funds out of the pipeline for Denmark and make the amount available to other places, should the administration desire to do so.

The record shows that last year General Palmer squeezed out of the pipeline \$521 million, and no one said anything about it. The figures I have presented show that we could easily squeeze out of the pipeline more than \$630 million and provide for all the nations that we desire to support militarily. We could squeeze out \$635 million without having to appropriate the amounts that we are now arguing about. In other words, we could cut the amount back \$635 million instead of the paltry \$150 million reduction that I am trying to bring about now.

Consider the case of Italy. Italy has in unexpended balances \$167 million.

Last year Italy received \$98 million. Italy has remaining almost \$100 million. But in that case Italy has a leadtime of 20.4 months, which is within the 22 months period allowance that the Secretary of Defense has indicated. I am not deducting that amount. It is not included in the \$635 million and the figures that I have just made available.

Let us consider the case of The Netherlands. The Netherlands has \$90,664,000 in the pipeline. Last year we made available only \$16,685,000. The Netherlands has a leadtime of 64.4 months. In other words, that obligation exists. Nothing is being done about it. We could easily deduct from that amount a sum sufficient, which together with the other amounts I have stated, would take care of the situation.

Consider the case of Norway. Norway has in the pipeline \$100 million. Last year Norway got \$38,903,000. In the case of Norway the leadtime is 30.8 months.

Let us consider the case of Portugal. In the pipeline for Portugal is \$41 million. Last year we made available \$6 million plus. The leadtime in Portugal is 77.3 months.

Let us consider the case of Spain. For Spain there is \$69 million in the pipeline. Last year they got \$32 million. Their leadtime is 26 months.

The United Kingdom has in the pipeline \$24,604,000. The leadtime there is only 11.6 months. By the way, that is the amount which was referred to by the Secretary of Defense when he said:

The increase in the unexpended balance of military assistance plans program funds is merely caused by two factors: First, about 80 percent of the increase was caused by an increase of the long leadtime items, such as missiles and new types of aircraft.

Second, about 20 percent of the increase was caused by diversion of military assistance program deliveries to equip U.S. reserve forces called to active duty last fall during the Berlin crisis.

This argument does not square with the facts because, as I mentioned a while ago, the leadtime in Italy is less than 22 months. That is where the missiles are going. The United Kingdom is in the same category. But in other countries the leadtime is far in excess of 22 months. Therefore, I repeat, we could easily cut from that amount without in any manner affecting the distribution of arms or money to buy arms for the countries in the Middle East, Turkey, or wherever it is necessary.

Consider the case of Greece. Greece has, in unexpended funds, \$194,732,000. Last year we made available to Greece \$60 million. The leadtime in Greece is 38.6 months.

In Iran it is 20.6 months. In Turkey it is 19.8 months.

In other words, these countries are utilizing the amounts that were made available to them.

In the case of Taiwan, we have in the pipeline \$282,784,000. Last year we gave Taiwan \$93,134,000. The leadtime there is 36.5 months.

In the case of Jordan, the leadtime is 56.5 months.

In Japan, where we are furnishing missiles, it is only 12 months.

In Korea, we have unexpended balances of \$413 million.

Think of it. And yet, we are being asked to provide more money. Last year we gave them \$144 million. The leadtime is 34.3 months. Instead of giving Korea all that is being set aside for it, we could easily cut that and make the deliveries earlier and put them within the 22 months that the Defense Department says is necessary.

Is it not silly for us to be giving Laos more money, with unexpended balances there of \$33,060,000? I cannot give the amount that we are providing for Laos in this bill but it is quite a sum. There we are furnishing military equipment. As the report I made last year to the Senate Appropriations Committee following my inspection of operations in that country shows, some of the equipment that we sent to Laos to assist our friends was used against our own people last year. I would not be at all surprised if all the military equipment that has been sent to Laos has been nicely divided among the Pathet Laos, the Communists, and the other two factions that are at dagger's point in Laos.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MORSE. The entire Senate is indebted to the Senator from Louisiana for the information he has given to us this year, in which he has pointed out what the pipeline contains, what the leadtime situation is, and what the very extravagant appropriation to the military was. We should take the economy from the Pentagon and give it back to the American people.

Speaking of the American people, the Senate had better take note of the fact that there is a growing uprising of public opinion against this shocking amount of foreign aid, particularly when we find that when the chips are down in a good many places around the world, we must stand alone, with our so-called allies giving us so-called token support, as the Senator from Louisiana pointed out earlier this afternoon.

I am disappointed that the administration is not seeking to cut down these figures. By what the administration is doing, it is putting a good many of us who have heretofore sought to work for a sound foreign aid program in the position of dealing with a foreign aid program that is not sound.

So far as I am concerned, if we cannot bring about, in the closing period of this debate, some deserved and needed economies in the bill, I intend to vote against it.

Mr. ELLENDER. I was pointing to infrastructure. We have in the pipeline today \$181 million. Last year we used only \$30 million. The lead time there was 72.7 months. I am not including that figure in the total of \$635 million, that I say is available for transfer to other countries because there may be a reason why they cannot move any faster.

The idea of having leadtimes of as much as 56 months is unconscionable. Why should we appropriate money to keep it there? It may never be used.

I ask unanimous consent that a table which points out in detail all the figures I have been quoting be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

#### EXHIBIT B

*Analysis of unexpended balances of military assistance for principal recipients, July 1, 1962*

22 MONTIIS=1.83 TO 1

[Dollar amounts in thousands]

	Proposed fiscal year 1963 <sup>1</sup>	Unexpended July 1, 1962	Fiscal year 1962 deliveries	Ratio leadtime turnover based on 1962 deliveries	Unexpended balances for (22) month leadtime	Excess (deficit) <sup>2</sup>	Months of leadtime on July 1, 1962, based on fiscal year 1962 deliveries
<b>EUROPE</b>							
Belgium	\$62,382	\$17,888	3.49:1	\$32,735	\$29,647	41.8	
Denmark	82,852	20,281	4.09:1	37,115	45,737	49.1	
Italy	167,616	98,392	1.70:1	180,057	(12,441)	20.4	
Netherlands	90,664	16,685	5.37:1	30,534	60,130	64.4	
Norway	100,113	38,903	2.57:1	71,192	28,921	30.8	
Portugal	41,605	6,465	6.44:1	11,831	29,774	77.3	
Spain	69,705	32,077	2.17:1	58,701	11,004	26.0	
United Kingdom	24,604	25,491	.97:1	46,649	(22,045)	11.6	
Infrastructure	181,652	30,000	6.06:1	54,900	126,752	72.7	
Mutual weapons development	57,408	19,440	2.95:1	35,575	21,833	35.4	
Total	\$279,403	878,601	2.87:1		227,046	34.4	
<b>NEAR EAST AND SOUTH ASIA</b>							
Greece	194,732	60,387	3.22:1	110,508	84,224	38.6	
Iran	79,163	48,051	1.72:1	84,273	(5,560)	20.6	
Jordan	7,123	1,511	4.71:1	2,765	4,358	56.5	
(?)	(?)	(?)	(?)	(?)	(?)	(?)	
Turkey	267,228	162,223	1.65:1	296,868	(29,640)	19.8	
Total	418,872	646,823	2.17:1		135,771	26.0	

Footnotes at end of table.

## EXHIBIT B—Continued

*Analysis of unexpended balances of military assistance for principal recipients, July 1, 1962—Continued*

22 MONTHS=1.83 TO 1

[Dollar amounts in thousands]

	Proposed fiscal year 1963 <sup>1</sup>	Unex- pended July 1, 1962	Fiscal year 1962 deliveries	Ratio leadtime turnover based on 1962 deliveries	Unex- pended balances for (22) month leadtime	Excess (deficit) <sup>2</sup>	Months of leadtime on July 1, 1962, based on fiscal year 1962 deliveries
<b>FAR EAST</b>							
China (Taiwan).....		\$282,784	\$93,134	3.04:1	\$170,435	\$112,349	36.5
Japan.....	100,393	93,908	1.07:1	171,852	(71,459)	12.8	
Korea.....	413,565	144,765	2.86:1	264,919	148,946	34.3	
Laos.....	33,060	45,310	.73:1	82,917	(49,857)	8.8	
Thailand.....	75,097	31,713	2.16:1	63,524	11,573	25.9	
Vietnam.....	142,514	91,018	1.57:1	166,563	(24,049)	18.8	
Total.....	<b>\$659,764</b>	<b>1,047,713</b>	<b>502,848</b>	<b>2.08:1</b>	<b>272,868</b>	<b>24.9</b>	
Grand total.....	<b>1,358,039</b>	<b>2,573,137</b>	<b>1,106,723</b>		<b>635,685</b>		

<sup>1</sup> Deletions for security reasons.

<sup>2</sup> Not added in total.

Mr. ELLENDER. In the past we have transferred from the military appropriation a great deal of money for other purposes, such as economic aid. Although we have been told how important military assistance was, since 1950 there has been transferred from the military appropriations of \$907 million. In other words, the Chiefs of Staff and others paraded before us in committee and said the full amount was necessary, and that our security would be involved if we did not appropriate the full budget request. Yet \$907.7 million has been transferred from military to economic aid. Last year in excess of \$20 million was transferred. If the amount for military assistance is so important, it strikes me it ought to be used for that purpose.

I repeat: Ever since 1961, the amount in the pipeline has been increasing each year. In my judgment, we would be safe in reducing this appropriation by \$150 million.

I presume that most Senators read in the newspapers the day before yesterday that Secretary of Defense McNamara had made a trip to Western Europe recently and said that our allies in that area had increased their forces by 20 percent, while the United States had increased its forces by 45 percent in Western Europe.

Last year we sent 40,000 of our soldiers to Western Europe. That would not have been necessary if our Western European allies had kept their end of the bargain by providing the soldiers and equipment necessary to fully operate NATO. They are well able to do that. In fact, they are more able than we are to provide for this kind of assistance. But so long as we continue to appropriate these huge sums, they will continue to believe that Uncle Sam will continue such aid. So long as the people of Western Europe lean their head on our shoulder, they will be willing to let Uncle Sam provide most of the assistance, irrespective of the impact that such assistance will have on our own economy.

Mr. MORSE. Mr. President, the Senator from South Carolina and the Sena-

tor from Oregon are on their feet to concur with the Senator from Alabama in the belief that so long as we let our allies pass the financial buck and burden to us, we will continue to provide such assistance.

Mr. JOHNSTON. The countries of Western Europe are well able to provide most of their own assistance at this time. Many of those countries are in a much better financial condition than is the United States at the present time.

Mr. ELLENDER. I think the RECORD will show that I was the first Senator to bring to the attention of Congress the problem of a deficit in our balance of payments which is now facing us. The situation is getting worse. I wonder how many Senators know that in the bill we are providing \$2 billion to be made available to the International Monetary Fund. Why do Senators think we are doing that? We are doing it so as to be able to borrow from the fund deutsche marks, francs, Italian lira, and pounds from England, in order to prevent gold from flowing out of our own country. We should remember, too, that all this has taken place in the last 3 or 4 years. Six or 7 years ago the nations of Western Europe had few or no dollars compared with the amount they have now. The record shows that the countries of Western Europe today have, in short term notes and gilt edge securities, in excess of \$24 billion. We are providing today \$2 billion for the International Monetary Fund so that we can borrow from that fund \$4 billion if we need it. We will have to pay interest on it. The interest ranges from 3 percent to 5 percent. That is what good old Uncle Sam, who has been very liberal to the people of Western Europe and other parts of the world, will have to pay.

I think we are doing too much. If we continue this process, not only western Europe but other areas, as well, will drag their feet and let Uncle Sam carry the whole burden. So far as I am concerned, I am getting sick and tired of that. I have been sick and tired of it for at least 5 or 6 years, and I have been opposing many of these programs for at least 8 or 10 years.

Up to now we have made available to the countries of the world in excess of \$100 billion in order to fight communism. I wish some Member of the Senate would tell us if things are not worse now than they were 7 or 8 years ago. That is the case today. Today we are in as grave danger as we have ever been, if not greater danger, notwithstanding that we have spent more than \$100 billion. We are worse off today than we were at that time, because our debt has increased to the point where it is now in excess of \$300 billion. The carrying charge on the debt requires in excess of 13 percent of our annual appropriations, and the debt is increasing each year. Every time we go into the red for a billion dollars, the carrying charge on the billion dollars amounts to \$30 to \$35 million. It simply continues to increase and increase. It strikes me that there ought to be a stop to it.

Mr. President, I hope the Senate will vote with me to decrease the amount to \$1,300 million. With the amount that is now in the pipeline, we could cut this amount by \$600 million and hurt no one. But I am not asking for that. I know I would be voted down. I believe, though, that we at least owe it to the people to make the appropriation \$1.3 billion. I hope the Senate will vote for that amount.

Mr. CHURCH. Mr. President, as a co-sponsor of the amendment offered by the Senator from Louisiana, I wish to speak briefly in its support. I believe the Senator from Louisiana has given us a very comprehensive review of the figures. They demonstrate that this amendment should be approved. The effect of the reduction would bear so little upon the overall program that the Pentagon would not even have to shift gears.

The amendment is very moderate. It would merely decrease the total amount in the sum of \$150 million, to the level approved by the House of Representatives. I believe the amendment is more than justified. I shall not attempt to restate all the figures which the Senator from Louisiana has cited; I think one or two alone will suffice.

The Senator from Louisiana said that this year we are planning to provide \$314 million in military assistance to Western Europe, and that today \$878 million more is in the pipeline for Western Europe. All of us know that most of the countries which receive this aid have been self-supporting for the past 10 years, and are fully capable of providing for their own military establishments without any kind of assistance from the United States.

I find it hard to justify that in the 10 years they have been fully self-supporting, we have contributed \$13½ billion in military assistance to the countries of Western Europe.

The amendment involves only \$150 million. If reducing this program by so small an amount will have any effect at all upon the substance of the program, if it will discipline the program at all, then I say fine, for the program badly needs discipline. I believe in military assistance where it can be justified, where there is a real need to meet a Communist military threat as in South

Vietnam or Formosa or South Korea. I believed in military assistance at the time it was necessary for us to establish the NATO Alliance in Europe to build a common military defense there against the encroachment of the Red Army.

But this program has gone far beyond those areas where the Communists threaten invasion. The program now extends to all of Asia and to much of Africa and Latin America. Consider the number of countries that are now involved. Fifty-eight countries are now receiving military assistance from the United States. Most of these countries are so far removed from either the Soviet Union or Red China as to make talk of the threat of any military action against them quite absurd.

Yet every year we add countries to the list, and every year we add money. We have involved ourselves in what may become a serious arms race in Africa; and we have no business augmenting it with American weapons and American money. Who can imagine anything less in the interest of the new countries in Africa than an arms race? This year we are spending \$77 million on military assistance for Latin America. I wish all Members of the Senate could have been present to hear the well-reasoned address of the Senator from Alaska when he analyzed our military assistance program in Latin America, and showed that, as it operates in many of these nations, it is adverse to the interest of the United States.

During the Eisenhower administration we placed a ceiling on this program in Latin America, and we should not have stopped that effort when the new administration took office, because the size of it has since increased by 15 to 20 million a year.

The trouble with this military assistance program is that it is becoming bureaucratized, and the habit of bureaucracy is to spread it indiscriminately into every continent and country in an ever expanding way.

The distinguished Senator from Louisiana has shown that there is an ample amount of money in the pipeline, so that even if we were to reduce this appropriation by \$600 million, we would not seriously dislocate the military-assistance program. However, by means of this amendment we seek only to reduce the amount by \$150 million—in short, to reduce it to the level voted by the House of Representatives. A saving of this amount could be made tomorrow in connection with our military assistance program in Western Europe alone, and the effect would be salutary on the alliance.

Mr. President, I do not think the United States should become the purveyor of weapons to all the world. Our country should not become an arsenal with open doors, into which the farflung countries of the world are invited to dip with grasping hands.

We are now engaged in this program in parts of the world where we have no business supplying guns, tanks, and fighter planes. Unless Congress begins to pull up on the purse strings, we shall never get this program back to what it was intended to be when it was initiated.

ated—namely, a program of helping countries faced with military threat to obtain equipment and supplies with which to defend themselves. However, the program has gone far beyond that.

Therefore, I believe we will advance our country's interest if we approve the amendment of the distinguished Senator from Louisiana; and I hope the Senate will adopt it.

I commend the Senator from Louisiana for his excellent statement, and I take pride in joining him as a cosponsor of the amendment.

Mr. SALTONSTALL obtained the floor.

Mr. JAVITS. Mr. President, will the Senator from Massachusetts yield to me for approximately 3 minutes?

Mr. SALTONSTALL. Yes; if I may do so without losing the floor.

The PRESIDING OFFICER (MR. SMITH of Massachusetts in the chair). Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I wish to speak first on another matter.

Mr. SALTONSTALL. Very well.

#### THE SITUATION AT THE UNIVERSITY OF MISSISSIPPI

Mr. JAVITS. Mr. President, due to obligations which I had today in New York, I was unable to be on the floor this morning to say a few words about the very tragic situation in Mississippi.

It is well known that I was one of those who urged the President to assert the laws of the Nation and to do whatever would be necessary to enforce them, and I wish to say that I understood perfectly the responsibility involved in taking that position; now we must affirm our support of the President in this very trying hour when an ominous calm rests over the area where the events of last night occurred. I refer to the tragic riot, in the course of which two persons were killed.

I repeat, Mr. President, that whenever a government official lends himself to defiance of the law, that attitude becomes endemic to the community, and leads to widespread defiance of the law.

I maintain that the position taken by the President is necessary in the interest of the country; and I support him in his course of action, even though all of us join in being extremely saddened by the situation which has developed.

At this point, I should like to refer to a dispatch which came today from Oxford, Miss. The dispatch is of such great significance that I believe it should be referred to here. It reads as follows:

OXFORD, Miss., October 1.—The editor of the University of Mississippi student newspaper told her fellow students today they are bringing "dishonor and shame" to their university and State by participating in riots.

An appeal was made in the *Mississippian*, which journalism students put out today as usual despite the sounds of gunfire and exploding tear gas shells, for the students to end the violence.

Sidna Brower, the editor, wrote this:

"This is a battle between the State of Mississippi and the U.S. Government. The university is caught in the middle. The Civil War was fought 100 years ago over almost the same issues and the United States of

America prevailed. The Federal Government is once again showing its strength and power to uphold the laws of our country.

"Whatever your beliefs you are a citizen of the United States of America and of the State of Mississippi and should preserve peace and harmony of both governments."

Of course, as the President said so well—and his words were reminiscent of those of Lincoln:

Let us preserve both the law and the peace, and then healing those wounds that are within, we can turn to the greater crises that are without and stand united as one people in our pledge to man's freedom.

Mr. President, as we debate the foreign-aid bill, one of the key elements in connection with the freedom of the world and America's leadership in the quest for peace is the putting into proper perspective of the dreadful events which have occurred in Mississippi. It is critically important that that be done. This is not the first time that a nation heavily beleaguered from without has also suffered disorder from within; and it is also not the first time that, in dealing with disorder from within, a nation's capacity and strength to defend itself from attack from without were strengthened and increased. That is what I think is happening at this hour.

I rise now to identify myself with the stand taken by the President in dealing with this very difficult and trying situation, which hangs so heavily upon his heart and upon the hearts of all the American people, and also to join in the determination to accept a part of the responsibility for our determination to have a nation great, dignified, and powerful, both in the eyes of our own people and in the eyes of all mankind.

Certainly, Mr. President, the laws must be enforced, whatever the cost.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. SALTONSTALL. Mr. President, I rise to oppose the amendment of the Senator from Louisiana, which would cut by \$150 million the amount provided by the committee amendment—in other words, cut it from \$1,450 million to \$1,300 million.

The original program submitted this year by the Secretary of Defense called for an appropriation of \$1,730 million. That was based on a requested appropriation of \$1,500 million. The extra \$200 million comes, for the first time, from a recoupment; in other words, a recoupment of \$200 million is anticipated from obligations which are not to be carried out, so we understand, even though the program was begun. We understand that is the intent.

It is the first time that has been done. So that recoupment adds \$200 million, estimated, to any appropriation that we may provide. It keeps the appropriation request underneath the request for anticipated funds that are expected to be obligated.

We must remember that our military aid is fundamentally for our own security. That is the only purpose of military assistance. If it is not valuable for our own security, we certainly should not appropriate any funds at all.

A second fundamental which has been drilled into us over the years is that in many instances it is more reasonable, from the point of view of our own security, to make these funds available to our friends, whose expenses are less than our own expenses would be if we had to do this work ourselves with our own military forces in far-off areas.

There is another fundamental which we should remember, and that is that of the \$1,450 million of the estimated funds needed for the program, \$1,254 million will go to the Near East, southeast Asia, and the Far East. To the Near East will go \$423 million, and to the Far East \$831 million.

Today we know the problems in Korea. We know the necessity for building up the nationalist forces in Taiwan. We know of our current military problems in South Vietnam. Over three-quarters of the money that we are asked to appropriate will go to those areas.

There is criticism about the money going to Europe. Under the estimated plans, \$314 million will go to Europe. The question is asked, Why should we send money to Europe today? In doing so, we are completing our contracts to the NATO countries and to other countries like Spain, and I think Germany, where we have prior commitments that are being fulfilled out of the present appropriation.

If my memory is correct—and I am sure it is—the Secretary of Defense assured us that no new commitments were being made in the European sector, to the countries that are our allies in that area. The \$314 million is to carry out contracts already made.

It is said that there are substantial balances of more than \$2 billion. There are balances of more than \$2 billion, but we are spending approximately \$1,800 million a year, rather than the \$1,400 million that was reported on June 30 of this year. In other words, the best estimate of the military department is that 30 percent of the undelivered balances have been in fact expended by the services, so the true balance would be under \$2 billion, and the actual expenditure rate of the last 2 years would be \$1,800 million rather than the \$1,400 million which we report under the legally required bookkeeping systems.

That was the report given to me personally by the Assistant Secretary of Defense under date of September 29, 1962.

If we consider that there are expenditures of \$1,800 million and that there is an undelivered balance of approximately \$2 billion, every penny of the undelivered balance represents hard money firmly committed on the basis of continuing requirements; and it is not available for transfer to other uses to cover fiscal 1963 or future program needs.

So in arriving at the figure of \$1,500 million, it was ascertained that the

money was needed to continue anticipated expenditures this year of approximately \$1,300 million, and that the balances that are said by the chairman of the House committee and others to be available are really funds that are committed and obligated in hard money, and are not available for expenditures under the new balance for fiscal 1963.

I should like to mention one further item. A part of the increased undelivered balance comes from the fact that for certain new items of military expenditure there is a long leadtime, for example, items like missiles and airplanes that are being delivered under the military assistance plan. So those items are taking longer to deliver. That will build up our undelivered balances, but, as I have stated, those balances are all in hard money and are firmly committed today.

So if we cut back our military assistance by \$150 million, as the distinguished Senator from Louisiana would have us do, we are cutting down very substantially our program of military assistance for the coming fiscal year. Most of that program, as I have stated before, will go to our needs in the Near East, southeast Asia, and the Far East.

Seventy-seven million dollars, and probably a little less, is earmarked for Latin America. The money going to Europe, \$314 million, is to complete contracts already made, and not for new contracts being made. It will complete our contracts and gradually eliminate the amount that will go into Europe.

So I hope the amendment of the Senator from Louisiana will not prevail. I believe the military assistance plan is one of the most important parts of our foreign aid program, fundamentally because it is military assistance to us, to build up our own security. If it is not that, as I have said before, we should not provide any funds.

Second, in many instances in that way the program can be carried out in a much more economical way than if we tried to build up enough strength in manpower and military equipment to go into the areas of the world where today we have commitments and where there is a need for military assistance.

We have argued this subject many times in the past. I think the situation is fundamentally the same as it has been in the past. I hope the amendment of the distinguished Senator from Louisiana will not be adopted, but that the committee amendment, which has already cut \$50 million from the estimates, will be adopted.

Mr. STENNIS. Mr. President, I commend the Senator from Massachusetts for a very fine explanation of the major points involved in the amendment. No one in the entire Congress is better qualified to speak on the subject than he, and very few are as well qualified as he is.

All the way through the consideration of this bill, in the committee and on the floor, last year and this year, I have reserved the right to sponsor the cause of military aid, regardless of what I might do about the rest of the bill.

I am convinced of the soundness of that position primarily for the following reasons: Of all the military assistance—and I am talking about direct military aid—88 percent goes to countries that are in the shadow of the guns of Soviet Russia or Red China. They are nations that are at strategic points in the globe, that we cannot possibly have surrendered, or afford to lose, or they are in areas where we have commitments and for policy reasons we cannot possibly abandon.

We must not only have sufficient strength, but also an abundance of strength. We should have even too much strength, if that term could possibly apply.

Let us consider the situation in Greece. Some of us have been to Greece. We have seen the small farms, with a few olive trees as the only source of income for an entire family. How could that great but poor nation ever be able to properly defend itself, with military costs such as they are today? How could Greece ever possibly defend that strategic point on the globe alone? Can we give it up? Can we abandon it? Who wants to permit someone else to get control of it? The economy is so weak that help must be given.

Let us consider Turkey. Those of us who have worked on the military program for years are aware of the situation in regard to Turkey. I have never heard an exception from the opinion stated by those who have been to Turkey and who have seen the situation; the manpower they have, the ability they have, the willingness they show, and the hazards under which they operate. Every single man I know thinks we get a bargain, and that we could not possibly back out of it. I do not wish to even think of doing so.

We must not only have a sufficient amount, but we must have more than enough money in the bill to take care of any situation which might arise.

Let us skip to the other side, to the Pacific, to one of the countries there. Four countries together get 88 percent of the aid. Let us consider the situation in Formosa, or Nationalist China. That costs us a great sum of money every year. That not only involves military assistance, but also other assistance. Who would propose that we take a chance in that regard? Who would reverse our present policy as to Nationalist China? It is unthinkable.

So we have to provide this money, like it or not. We must provide not only what we think is sufficient, but also enough to know that it will be sufficient. We are bound to do that. We have no choice.

Let us consider Korea. I went to Korea at a time when one of our finest Army generals was in charge. He is a very resourceful man. He had all the figures and facts and he knew that country as few men know any country. I was amazed when he concluded his remarks by saying:

If their industrial capacity and gross national product were seven times as great as now, still they could not pay for defending this strategic peninsula.

We shall have to remain in that country a long time, as long as our policy is what it is today, and shall have to spend much money.

I did have an impression with regard to the value received for our dollars. For our own dollars which we spend for our own forces we get the greatest return there of anywhere I know, with one exception, and that is Korea, where the military dollar is spent on the Korean forces.

When we add it all up, 88 percent of this money goes to four countries. I support the larger figure, to provide what the committee has recommended, rather than to reduce it \$150 million.

Other Senators are present. The Senator from Missouri [Mr. SYMINGTON] is well qualified to speak on other aspects of this question. I am sure he will do so.

I return to my original point. This money will be used to buy military hardware. When someone is buying aircraft, missiles, trucks, small ships, electronics equipment, tactical missiles and so forth, it takes "big money." There must be not only enough, but perhaps too much.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield.

Mr. SALTONSTALL. The Senator talks about the requirement for "big money" to buy equipment. It also takes trained manpower to operate the equipment.

Mr. STENNIS. Yes.

Mr. SALTONSTALL. If the operations can be done by trained manpower of our allies and friends, it is much better than providing it ourselves.

Mr. STENNIS. That is a very good point. That is particularly true in the four countries to which I referred. I do not wish to discredit any other country which I have not mentioned, but these countries are the ones in which we know we will get returns, and they receive 88 percent of the money.

I thank the Senator for his question.

Mr. President, in spite of the fine endeavor and wonderful knowledge of our friend the Senator from Louisiana, with whom I usually vote, I hope that in this regard the committee recommendation will prevail.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. STENNIS. I yield briefly to the Senator. We have discussed this question before.

Mr. McGEE. Did I correctly understand the Senator from Mississippi, who has great knowledge of the question of military assistance, to say, that it costs less for us to put a Korean soldier, for example, on the frontline, than it would cost to put an American soldier there?

Mr. STENNIS. It costs a great deal less. On a per-man basis the cost is between one-third and one-fifth as much.

Mr. McGEE. A substantial portion of these funds would be used for equipping non-American forces, is that correct?

Mr. STENNIS. Yes. The money will be used for the military hardware and for equipping with smaller weapons these very fine soldiers in those countries.

The same is true in Iran. There are very fine soldiers in Iran.

Mr. McGEE. Is it not equally true that there are some cost-sharing developments under this program, in which some of our allies are joining us?

Mr. STENNIS. That is a good point. The Senator is correct. I will let some other Senator discuss that point.

Mr. McGEE. Pertinent to that point, we should keep in mind, in regard to the cost-sharing programs, that more than half a billion dollars is committed to those programs for this year. Our share of that half billion dollars in the cost-sharing development is 25 percent, about one-fourth, and the share of our allies is three-fourths. In other words, we are getting extra mileage on a contribution measured directly against ours.

Mr. STENNIS. I am glad to have the Senator's figures in that regard.

Mr. McGEE. There is one point which is closely related to the others. On the cost-sharing programs this year, the half billion dollars, which we and our allies are developing together, 70 percent of the funds will be spent in the United States.

Mr. STENNIS. Yes.

Mr. McGEE. I think those facts should be borne in mind as we assess what the program costs the United States.

Mr. STENNIS. That is very pertinent, and related to the subject. I thank the Senator for bringing out those points.

The Senator from Louisiana has criticized the provision of money for Western Europe. I share the Senator's concern, and I have tried to get that part of the program reduced from year to year, in other respects. I think we have made progress in that respect. The military departments themselves have been helpful along that line.

Mr. McGEE. I have only one other figure to give, if the Senator will yield further.

Mr. STENNIS. I yield.

Mr. McGEE. I refer to the specific figure on the cost of a Korean soldier compared to the cost of an American soldier.

The cost is \$4,000 to put an American soldier in the field there. The cost is only \$219 for the Korean soldier. The discrepancy is so considerable that we ought to weigh again the difference in the cost.

Mr. STENNIS. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield.

Mr. ELLENDER. Since it costs so little to provide for a Korean soldier, why is it necessary for the United States to have 2½ divisions of American soldiers in Korea? We have provided equipment for 18 local divisions, and have built them up. We have furnished the military equipment and everything else. We are doing the same in South Vietnam.

But plans are now being made to have at the ready four complete U.S. divisions which can be flown to any part of the world in the event anything breaks out.

Why does that situation exist? I have heard the argument advanced by the Senator from Wyoming many times. It has been repeated time and time again. It is said that we can outfit and maintain a soldier of some other country for less money than one of our own. It does cost less, but the soldier does not compare to one of ours, and we must send out troops in to help them fight in the event of trouble.

Mr. STENNIS. Mr. President, I had not yielded the floor.

I did not bring out the figures about the cost of a Korean soldier, though I think we do get more for our money per dollar for what we spend in that part of the program in Korea than anywhere else. As I said in the beginning, Korea is not merely a country. Korea is a spot on the map to which our policy is tied. We must defend it this year, next year, and for many years to come. I am through with the thought that perhaps in a few years we shall not have to do so. We must carry that load for many years to come.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The Senator from Missouri [Mr. SYMINGTON] is recognized.

Mr. SYMINGTON. Mr. President, I support wholeheartedly the position taken by two of my senior colleagues on the Armed Services Committee, the distinguished Senator from Massachusetts [Mr. SALTONSTALL] and the distinguished Senator from Mississippi [Mr. STENNIS]. They have made most, if not all, the points I had planned to make this evening.

With all due respect to my able and beloved friend from Louisiana, in this particular case I simply cannot agree that it is wise to cut this program further.

The original figure asked for last year was \$1,885 million. The amount requested in the fiscal year 1962 budget was \$2.2 billion. In the 1961 budget it was \$2 billion. Therefore, the amount requested already represents a heavy original reduction. The fact we have reduced further the already reduced request by \$50 million from the original relatively austere program of \$1.5 billion, is, in my opinion not in our best interests. To reduce it still further at this time would be even more serious when we consider those places all around the earth already referred to by the able Senator from Mississippi.

I hope in this case the Senate will retain the \$150 million put back by the Senate Appropriations Committee. It seems to me the arguments made by the Senator from Massachusetts and the Senator from Mississippi, two experts in this body on our military position, are most conclusive. I hope the Senate maintains the committee restoration of the reduction.

Mr. ELLENDER. Mr. President, the arguments we have heard from the Senator from Mississippi [Mr. STENNIS], the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Missouri [Mr. SYMINGTON] have been made before. It is my contention that if we

take the fat out of the military budget, Korea, Greece or China—that is Taiwan—will not suffer. As I pointed out, if we were to give each country the 22-month leadtime which the Department of Defense has said is necessary, we could cut from the budget more than \$600 million, and no country would suffer.

Consider the case of Korea. Today we have obligated in the pipeline almost \$1 billion for military assistance, for that country. The agency can take out that amount, if it desires to do so, and give it to Greece or any other country. As I pointed out, there are leadtimes for some countries of as much as 56 months when 22 months is the requirement.

Mr. President, it is very well to build armies in the countries about which we have been speaking. Some time ago I was in Iran. I would not like to see American divisions equipped as are our troops fight a battle side by side with Iranian soldiers. I cannot say what we have been spending in Iran because it is all secret. But we have spent hundreds of millions of dollars. The Iranian Army would be as effective against the Russian Army as a popgun corps would be to defend Washington against the U.S. Army.

There is not a spot on earth where we have equipped the soldiers sufficiently so that the American soldier would not have to go there to fight with the native forces. With all the expenditures we have made under the program, we are building up four complete divisions all prepared, airborne, to go to any part of the world in the event anything should happen. We ourselves feel that with all the equipment and training of native soldiers we have undertaken, it is not sufficient. We would have to send our own men into places of trouble.

As I pointed out a while ago, according to the newspapers, Mr. McNamara stated that the countries of Western Europe have increased their might by about 20 percent in the past year, whereas we have increased our might in Western Europe by 45 percent.

The same is true in relation to what we are trying to do in South Vietnam. Not one of our allies is trying to help us there. The operation is all American.

The same thing would apply to Taiwan.

The same would apply to South Korea, except for the presence of 2 Canadians, 2 New Zealanders, 2 Australians, 25 men from Great Britain, and a handful from Turkey and Greece, who are there as a semblance of assistance, in order to make the project look like a U.N. operation. In fact, we are furnishing all the money and economic aid necessary to build up the 18 divisions that are there now. Aside from that, we are spending hundreds of millions of dollars in order to sustain the economy of Korea.

Mr. President, even though my amendment is adopted, merely taking \$150 million out of the program would not, in my judgment affect it, because we could deduct that amount from the \$636 million that I mentioned a while ago. It could be squeezed out of the allotment of those countries which are over and above the 22-month tolerance that I mentioned. We would still have in excess of

\$400 million that could be spent and disbursed in countries in which it is needed.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. HOLLAND. Is it not true that the reduced amount of \$1,300,000,000 would more than take care of the full need, the full expectation, and the full budgeted amounts for such nations as Turkey, Greece and Pakistan, and a limited number of other countries that we know would stand up with us and fight?

Mr. ELLENDER. The Senator is correct. We pointed that out before the committee.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. HICKENLOOPER. I do not think there is any Senator who does not desire to give the military whatever is reasonably and properly necessary to take care of the security of the United States under the programs which we have and upon which we have determined.

I have seen many instances in which there has been colossal waste and inattention to the equipment which the United States furnishes to its own troops. I have seen also the luxurious extravagance which occurs in the Armed Forces at various places in the world. I am wondering if the Senator does not agree that, without any diminution whatsoever in the effectiveness of our Armed Forces, the amount stated, and a great deal more, could be taken out if the commanding officers and those responsible for safeguarding and husbanding the resources of the United States here and abroad would really do the job that Congress has imposed upon them and their responsibility.

Mr. ELLENDER. There is no question about it. In the reports that I have made to the Congress I have shown many times that a good deal of the military equipment and hardware that we send to other countries has been dissipated. It has not been well taken care of. We often send equipment that the soldiers to whom we send it cannot use because they do not know anything about it.

Mr. HICKENLOOPER. I think it goes beyond that. I think it is a fact that we duplicate and waste. In addition, recipients are very often careless and irresponsible in their care of what they get. There could be a comparable instruction directed toward those whose responsibility it is in our own Government and in our own Military Establishment to safeguard and preserve that equipment for the most efficient use; and I do not believe they do so in many cases.

We have had pointed out to us examples of members of the Armed Forces deliberately violating the law and spending vast sums of money, and nothing ever having been done about it. They continue to be promoted just as if they had never done it. There are no courts-martial and no trials. No one is brought to judgment. A great deal of the fault is the inefficiency and lack of attention within our own departments.

Although I am willing to vote every last dollar that we really need to carry out a program, I believe this program is overfinanced. With the backlog which remains on hand, I believe we could well stand this reduction, especially in the light of the fact that this afternoon we acted on a measure to pay foreign banks a higher interest rate on deposit of money here than we pay our own citizens, in order to stabilize and help our own finances. That was the excuse that was given. I believe we can be a little careful in light of the extravagance with which we throw away our money.

Mr. ELLENDER. The Senator has mentioned the burden of my argument. I also stated, that with all we are doing, we still have the 6th Fleet in the Mediterranean. We had to agree with NATO to have 67 submarines assigned to them. In addition, we have provided 150,000 more soldiers in order to assist our allies in Western Europe.

I go back to the proposition that the more we furnish these people the more will they lean on us and be lulled into the belief that Uncle Sam will carry the whole load.

The proposed small cut of \$150 million would leave ample amounts of new money, together with the money that is now unobligated, to furnish hardware to the countries that really need it. I hope the amendment will be adopted.

I ask for the yeas and nays. The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. LAUSCHEL], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK] and the Senator from Alabama [Mr. HILL] would each vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Illinois would vote "yea."

On this vote, the Senator from Tennessee [Mr. GORE] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Alaska would vote "yea."

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. AIKEN and

Mr. PROUTY], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTMU], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Kentucky [Mr. MORTON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting the Senator from Texas [Mr. TOWER] would vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Vermont [Mr. AIKEN]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Vermont would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from South Dakota [Mr. BOTTMU]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from South Dakota would vote "nay."

The result was announced—yeas 35, nays 41, as follows:

[No. 297 Leg.]

YEAS—35

Bartlett	Ervin	Murphy
Bible	Fong	Pearson
Boggs	Hickenlooper	Pell
Burdick	Holland	Proxmire
Byrd, Va.	Hruska	Russell
Carlson	Johnston	Smathers
Church	Jordan, N.C.	Talmadge
Cooper	Kerr	Williams, Del.
Curtis	Long, Hawaii	Yarborough
Dodd	Long, La.	Young, N. Dak.
Eastland	Miller	Young, Ohio
Ellender	Morse	

NAYS—41

Allott	Javits	Neuberger
Beall	Jordan, Idaho	Pastore
Bush	Keating	Randolph
Byrd, W. Va.	Kefauver	Robertson
Cannon	Kuchel	Saltonstall
Carroll	Long, Mo.	Smith, Mass.
Case	Mansfield	Smith, Maine
Engle	McCarthy	Sparkman
Goldwater	McGee	Stennis
Hart	McNamara	Symington
Hartke	Metcalf	Thurmond
Hayden	Moss	Wiley
Humphrey	Mundt	Williams, N.J.
Jackson	Muskie	

NOT VOTING—24

Aiken	Cotton	Lausche
Anderson	Dirksen	Magnuson
Bennett	Douglas	McClellan
Bottum	Fulbright	Monrone
Butler	Gore	Morton
Capehart	Gruening	Prouty
Chavez	Hickey	Scott
Clark	Hill	Tower

So Mr. ELLENDER's amendment was rejected.

Mr. McGEE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I send to the desk an amendment which I ask to have stated.

LEGISLATIVE PROGRAM

Mr. KUCHEL. Mr. President, will the Senator from Louisiana yield, without losing his right to the floor, so that I may inquire of the majority leader what the schedule will be for the remainder of the day and for tomorrow, and to obtain any additional information which might be of help to us in handling our burden?

Mr. ELLENDER. I yield, provided I do not lose the floor.

Mr. MANSFIELD. Mr. President, I hope there is a possibility—although I am not certain of it—that the Senate may finish the pending business tonight. Perhaps in an hour or so we will have a better idea of whether that can be done.

If action on the pending bill is completed tonight, other measures will be considered tomorrow. If the Senate does not finish action on the pending bill tonight, it is expected to have the Senate convene at a reasonably early hour tomorrow, perhaps 10 or 11 o'clock to continue with consideration of the foreign aid bill.

Among other bills to follow are:

Calendar No. 2009, H.R. 12213, to provide for the temporary suspension of the duties on corkboard insulation and on cork stoppers;

Calendar No. 177, S. 1183, to amend the Merchant Marine Act, 1936, in order to provide for the reimbursement of certain vessel construction expenses;

Calender No. 1887, H.R. 11880, to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes;

Calendar No. 2150, S. 3760, to amend the National Defense Education Act of 1958 to raise the limit of Federal payments into student loan funds, to broaden the types of equipment which may be acquired with Federal grants and loans, and for other purposes.

Also, it is proposed to consider the conference report on the tax reform bill and possibly Calendar No. 2176, H.R. 8140, to strengthen the criminal laws relating to bribery, graft, and conflict of interest, and for other purposes.

Mr. HICKENLOOPER. Mr. President, for the information of the majority leader and the acting minority leader, there will be a little discussion, either tonight or tomorrow, about certain lapses in Central America, involving Honduras. This discussion may take a little time, perhaps an hour or so. The discussion will cover various phases of some of the items in the bill, and perhaps other factors.

I thought I should warn the majority leader that that discussion is in the offing. We are trying to accommodate the Senator from Louisiana, who intends to offer a series of amendments on this particular item.

The proposed discussion is akin to the bill. It is a part of the foreign-aid operation, but it is somewhat collateral to the subject under discussion. That is why we have refrained from pursuing it at this time.

Mr. MANSFIELD. The Senator from Iowa has given ample warning of his

intention to discuss a situation involving expropriation in a certain Central American country.

Mr. HICKENLOOPER. That is correct. Other Senators also are interested in expressing themselves on the subject.

Mr. MANSFIELD. When I mentioned the possibility of finishing action on the bill tonight—and that is a long shot—what I had in mind was, if possible, having the third reading and then perhaps fixing a time certain tomorrow for the vote on the passage of the bill.

Mr. HICKENLOOPER. In all fairness to the majority leader, I should say that I have been contemplating the offering of an amendment to the bill which would further strengthen the prohibition against expropriation. That is very difficult to do at the last minute. I have not decided whether I shall offer an amendment. There is plenty of authority on the books now if the State Department will enforce the law. Whether a little further turn of the tourniquet is needed is another question. I have not decided whether it would be feasible, or perhaps I should say practicable, to amend the foreign aid bill, or to pay our respects to the lapses which are taking place at present by way of the laws already on the books.

Mr. MANSFIELD. We shall do our very best to comply with the wishes of the Senator from Iowa.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The amendment of the Senator from Louisiana [Mr. ELLENDER] will be stated.

The LEGISLATIVE CLERK. On page 3, line 19, it is proposed to strike out "\$1,125,000,000" and insert in lieu thereof "\$925,000,000."

Mr. ELLENDER. Mr. President, on this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, it is not my purpose to detain the Senate very long on this amendment. I seek to cut \$200 million from the amount appropriated by the committee. The House of Representatives voted to reduce the DLF by \$475 million and my amendment would increase the amount allowed by the House by \$150 million.

The record shows that the bulk of these loans will be made to countries to which we have already given until it hurts. Greece, India, China, and Korea will receive a substantial amount of the money made available for this appropriation and yet we have given these countries billions of dollars since the inception of this program. Through fiscal year, we have given Korea in excess of \$52 billion. We have given China in excess of \$4.4 billion, and to India and Greece we have given in excess of \$3.8 billion and \$3.3 billion respectively.

Mr. President, how long will we be able to fool the American people? In my opinion this Development Loan Fund is only another giveaway program. The repayment terms of 40 to 50 years, three-fourths of 1 percent credit fee, and a 10-year grace period makes these loans, for all intents and purposes, really and truly grants.

I wish Senators to bear in mind that the Development Loans Fund has nothing to do with our Alliance of Progress program carried on in Latin America. That program is treated separately in the bill before us.

Mr. President, the reports I have made to the Senate, as well as to the State Department, are replete with statements that we have given to some of these underdeveloped countries so much money that their economies were unable to absorb it, and the aid was wasted. On many occasions, I brought that fact to the attention of the Senate, but Senators took no heed.

Perhaps now Senators will pay attention to the audit report covering our aid to Korea which was prepared by the auditors of the General Accounting Office. Earlier today, I cited some language from this report. The language used in this report is almost identical to that used by me 6 years ago in my report on Korea.

This is the observation which has been made by the GAO:

The conditions disclosed by our examination—

#### In Korea—

require the conclusion that the aid program in Korea during the fiscal years 1957 through 1961 was considerably less successful in advancing the economic program of the country than it was reasonable to expect from a program of such substantial financial magnitude. The disproportionate share of success of the program is attributable to several interrelated causes. Most notable, in our opinion, are that the level of aid, which averaged in excess of \$200 million annually, was beyond the capacity of the Korean economy to absorb productively, or of its Government to administer efficiently.

Mr. President, that is a finding by the General Accounting Office, and it is the same conclusion that I reached when I visited Korea in 1955 and 1956, as my reports will attest. No one paid any attention then to my findings. It required the displacement of Syngman Rhee by about 200 students there before our State Department became aware of the graft and corruption with which our aid program was tainted in Korea.

Mr. President, today the Korean Government is in the hands of the same military forces which were in charge when Syngman Rhee was President and which were considerably responsible for the graft and corruption that harassed our aid program. When the students succeeded ousted Syngman Rhee, the new regime, which was created soon afterward, did not pay any attention to the military and did not give them the liberal handout that was theirs previously. Consequently it was not long before the military took over again; and now they are once again firmly entrenched in South Korea. The military group there is simply holding us over the barrel, saying, in

effect, "If you do not let us have the money to sustain our economy, we are going to go over to the side of the Communists."

I repeat that, notwithstanding the fact that in the past we have spent billions of dollars in Korea, and notwithstanding the fact that this aid was ineptly handled by Koreans totally lacking in ability to handle such huge sums of money, it is now being proposed that we give Korea much more than we gave that country last year.

Mr. President, it is time for us to stop this foolishness. Let us put some plain old commonsense in this program before it is too late.

I wish to make another point. We are told that these loans will be repaid in dollars, are fully secured, and we can definitely expect payment. The facts belie these idealistic dreams.

The countries programmed for loans are now so overburdened with debt that there is barely a chance that we will ever be repaid.

Our loans are made on terms of 40 to 50 years, with interest at the rate of three-quarters of 1 percent, and with a 10-year grace period. Those are the terms that were provided to India, for the \$405 million of loans we made available to her during fiscal year 1962.

Let us see what our allies are doing for India. West Germany is making a loan to India, and the interest rate is 6.3 percent, payable in 10 years.

Where does India expect to get the dollars to pay that German loan if it is not from money to be borrowed from us under conditions of a 10-year period of grace and a 40-year period of repayment?

Japan also made a loan to India, payable in 10 years, and the rate of interest is 5 3/4 percent. Are we not "suckers"?

Switzerland is lending money to India at 3 1/4 percent interest, payable in 10 years.

Yugoslavia is making loans to India at an interest rate of 3 percent, payable in 5 years.

The U.S.S.R. has made loans to India, payable in 7 years, 10 years, 12 years, at 2 1/2 percent interest, in contrast with our loans with a repayment period of 40 years with a 10-year grace period.

Mr. President, that is why I say our loans are not really loans. They may be called loans, but in my judgment they will never be repaid and they should be called grants.

Are our administrators looking into the debt service capacity of the countries that will be the recipients of the bulk of those loan funds? I would like to cite, for the information of Senators, the estimated international indebtedness of the major recipients of our loan funds and I refer specifically to India, Pakistan, Turkey, and Nigeria.

INDIA (ESTIMATED INTERNATIONAL INDEBTEDNESS AS OF DEC. 31, 1961)

International organizations: IRBD and IDA Millions

Countries other than the United States:  
United Kingdom-----

INDIA (ESTIMATED INTERNATIONAL INDEBTEDNESS AS OF DEC. 31, 1961)—Continued

	Millions
Canada-----	\$33
West Germany-----	419
Japan-----	806
U.S.S.R.-----	138
Other countries-----	187
Total-----	1,967
United States-----	1,073
(Public Law 480)-----	1(1,083)
Grand total-----	3,912

<sup>1</sup> Public Law 480 is shown separately and not included in totals. The figure given is the amount of rupee deposits (as of Apr. 1, 1961) made against title I shipments. Only a small part of this should be considered a foreign claim, since most of the rupees are to be used for Indian economic development.

PAKISTAN ESTIMATED INTERNATIONAL INDEBTEDNESS (AS OF MAR. 31, 1962)

International organizations: IBRD Millions

	Millions
Countries other than United States:	---
United Kingdom-----	26.4
Germany-----	1.2
U.S.S.R.-----	.3
Total-----	27.9
United States-----	294.6
Grand total-----	370.7

TURKEY (INTERNATIONAL INDEBTEDNESS AS OF MAY 30, 1962)

International organizations: Millions

	Millions
EMA-----	\$95.0
IMF-----	74.0
IBRD-----	46.8
EPU-----	43.6
Other-----	1.3
Total-----	260.7

Countries other than United States:

Germany-----	203.0
United Kingdom-----	100.1
France-----	55.9
Italy-----	48.4
Benelux-----	27.8
Austria-----	6.1
Switzerland-----	5.7
Sweden-----	4.9
Denmark-----	.7
Norway-----	.5
Portugal-----	.5
Communist bloc-----	11.6
Asian countries-----	.4
Total-----	465.6

United States-----

Grand total-----

NIGERIA (ESTIMATED INTERNATIONAL INDEBTEDNESS AS OF MAR. 31, 1962)<sup>1</sup>

International organizations: IBRD Millions

	Millions
Countries other than United States:	---
United Kingdom-----	85
Israel-----	3

United States-----

Grand total-----

<sup>1</sup> Since Mar. 31, 1962, the Export-Import Bank has made a loan of \$2 million.

Mr. President, I submit that our development loans are going to be used by these countries to service the debts they owe to our prosperous allies. Though this will not be effected directly, it will come about indirectly since our loans carry only a three-fourths of 1 percent

credit fee, are repayable in 40 years, and a 10-year grace period is available to the borrower.

It is time that we conduct our aid program on a businesslike basis. These ultra soft loans should cease and our loans should be made on the same terms as other lenders. Unless we do this, we will continue to be classed as a soft touch, so to speak.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to my friend from Virginia.

Mr. ROBERTSON. I must express regret so few of our colleagues are present to listen to the explanation of this program, which clearly demonstrates that India and some of the other countries wish to have us furnish them money so that they may repay other nations which have made short-term loans at high rates of interest, while we have made long-term loans at either no interest or three-quarters of 1 percent interest.

Mr. ELLENDER. And payable in 40 years.

Mr. ROBERTSON. Mr. President, the Congress has been in session more than 9 months. Today the Senate has been in session more than 9 hours already. Members of the Senate are weary and anxious to wind up this little ball of yarn, so to speak. They are not present to listen to the discussion of a very vital issue.

What will be result of this program? We must borrow the money for it. By the most conservative estimate we shall have a deficit of more than \$8 billion this fiscal year. If there is a tax cut, as many people think there will be, the deficit could be as large as \$18 billion.

What rate of interest will we have to pay for that money? It will not be three-fourths of 1 percent. We can be sure of that.

We are giving this money away, because these loans will never be repaid. Hundreds of millions of dollars are to be given away, in addition to what we have already provided.

I ask the Senator from Louisiana how much we have practically given away since the end of World War II?

Mr. ELLENDER. In excess of \$100 billion.

Mr. ROBERTSON. Think of that, Mr. President. I hope the amendment will be agreed to.

Mr. ELLENDER. Mr. President, I should like to point out again, for the benefit of the Senate, that there is included in the bill the sum of \$2 billion which the United States will contribute to the International Monetary Fund.

Our foreign aid program has made it necessary for us to use the International Monetary Fund as a device to stem the flight of our gold.

Public Law 87-490, amending the Bretton Woods Agreements Act, has been passed by Congress authorizing the Secretary of the Treasury to make loans not exceeding \$2 billion outstanding at any one time to the IMF.

In the bill now before us, Congress has been asked to appropriate \$2 billion and this action has already been taken by the

House. Other countries that have also agreed to make loans of their currencies are the following:

Country	AMOUNT—DOLLAR EQUIVALENT	Billions
West Germany	\$1	
United Kingdom	1	
France	.550	
Italy	.550	
Japan	.250	
Canada	.200	
Netherlands	.200	
Belgium	.150	
Sweden	.100	
Total	4	

Although the United States has agreed to make loans up to \$2 billion, of course, it is not contemplated that this money will actually be disbursed until the United States gets into a favorable balance of payments position.

Under the agreement we have entered into with the IMF and the nine countries mentioned, it will be possible for us to borrow the currencies of these countries to stem the flight of gold. Instead of borrowing directly from the particular countries we will borrow their currencies through the IMF.

On page 33 the House report on the foreign aid bill lists the steps that we will employ to obtain loans from the IMF. These six steps follow:

1. The United States would notify the IMF that it wanted to draw down \$4 billion—the maximum under this special arrangement.

2. The IMF would then issue a call for the pledged currencies of the other nine members of the special borrowing arrangement.

3. As soon as the \$4 billion was collected, the IMF would turn that amount of foreign currencies over to the United States in exchange for \$4 billion of non-interest-bearing notes.

4. The United States could then use the \$4 billion in foreign currencies to purchase \$4 billion of U.S. dollars (in excess to their needs) held by any of the nine member nations.

5. If the present deficit balance-of-payments position of the United States is reversed, the United States would then repay the \$4 billion in the foreign currencies which it had borrowed from the fund.

6. If the United States should not reverse its present deficit balance-of-payments position, it would then have to repay the \$4 billion in gold or other convertible currency (not U.S. dollars). Then we would be right back where we started from and we would be in the same difficult position that we are in today.

Mr. President, our foreign aid program has indeed gotten us into an absurd and ridiculous position.

While on the one hand we are required to borrow money from our allies in Western Europe through the IMF, on the other hand we are making available to these very same allies military grant assistance totaling \$314 million for fiscal year 1963.

I hope and pray that the Senate will support my amendment. I am sure that if it is adopted some semblance of sanity will be put into this program.

Mr. HUMPHREY. Mr. President, I shall take only a few moments.

Of all the parts of the bill which merit support, no part merits it more than the Development Loan Fund. The

hue and cry in the Congress for years has been to get away from gifts and grants and to place the program on a loan basis.

A year ago the Congress was asked by the President to provide a 5-year extension of the development loan program on the basis of borrowings from the Treasury, so that the AID administration could make long-term commitments and be sure that the commitments could be fulfilled. My colleagues may recall that there was a great deal of support throughout the country for that particular type of authorization, a 5-year authorization as to which there would be authority in the President, working through the State Department, to borrow from the Treasury the amounts which were outlined for each year, approximately \$1.2 billion.

We altered that request by the administration. We came forth with a 5-year authorization in which each year the AID administration would be required to come before the Appropriations Committee and justify its request, rather than to have a 5-year authorization, in connection with which the Appropriations Committee would for all practical purposes be bypassed.

When that agreement was entered into, when the original administration proposal was rejected or amended and we continued the normal and established procedure of an authorization requiring appropriations through the Appropriations Committee and the Congress, it was understood, as was stated in the debates, that if the Agency could demonstrate its need for the funds, the Congress of the United States could be trusted and relied upon to give the full amount of the authorization.

Let me make it quite clear that the idea of having long-term authorization with the authority to go to the Treasury and obtain the moneys necessary to fulfill that authorization was not new with the present administration. It was judged to be necessary by the previous administration. Why? Two Presidents and their Secretaries of State came to the conclusion that the loan program was superior to the grant and gift program—that it was better for ourselves and better for the recipients, was more businesslike, and met the greater popular approval in the United States.

Both President Eisenhower and President Kennedy felt that way. Three Secretaries of State—Mr. Dulles, Mr. Herter, and Mr. Rusk—indicated that it was imperative there be long-term commitments and loan programs or otherwise the programs would be wasteful and might well be ineffective.

As a result of the pleas and urgings the Congress authorized a 5-year program. It also said, "However, you must come back each year to the respective Houses of Congress, and to the Appropriations Committees of the House of Representatives and of the Senate, through the regular and established processes of our legislative bodies, for moneys to be appropriated if there can be a case made for them."

What is the fact? Mr. Frank Coffin appeared before the Senate Appropriations

tions Committee, as he did before the Senate Foreign Relations Committee on the authorization program, and made a case for the full request by the administration, which was, as I recall, \$1,205 million.

The Appropriations Committee did not grant the full authorized amount. As I recall, the Appropriations Committee granted about \$150 million less than had been requested by the administration. I shall check my figures to make sure. The total amount of the authorization was \$1,250 million. The House figure was \$775 million. The Senate Appropriations Committee reduced the funds appropriated from the authorization level \$125 million. The committee recommended an appropriation of \$1,125 million. The administration asked for full restoration, but I believe it is fair to say that the Senate Appropriations Committee took a hard look at the request that was made. The Senate Appropriations Committee examined into the testimony and looked at the commitments which our Government had already made and which we must keep.

For example, it was discovered that if we did nothing better than the other body had done, we would barely be able to keep our commitments to India and Pakistan, which ran over \$600 million. Those commitments were under a consortium. We were a part of a multibody group, including even the World Bank, making funds available to those countries. Apparently the contributing countries and the World Bank thought that those loans to Pakistan and India were necessary.

Moreover, India has been making her payments. She has been paying back on previous loans. For example, we sold India surplus wheat in 1951. She has been paying back in dollars and not in soft currencies.

Pakistan is a reliable ally.

We have need for money in such countries as, for example, Nigeria, in Africa, which is one of the hopeful countries in Africa for freedom and democracy. If we are not able to restore the funds at least to the degree that the Senate committee has requested, we shall not be able to fulfill any of the requests that have been made, particularly in the countries in the African area.

Two or three other countries were brought to our attention as being at the top of the list in the African and Asian area for Development Loan Funds. We have argued this case repeatedly. We are not going to get out of the foreign aid business. We might as well face up to it. Every time I hear an argument or a discussion in relation to foreign aid it is always mentioned that we are carrying an undue burden. We are carrying the big load. That is true. There is no doubt about it. I shall tell the Senate why. We are the big country. We are the big power.

It is the United States which is the ultimate target of Communist aggression and imperialism. Every other country is but a stepping stone to the main target. For years the British carried the main burden of defense.

What country do Senators think carries the main burden in the Soviet bloc?

Rumania? Poland? No, indeed. The Soviet Union does. The Soviet Union does not hesitate to take on the burden in Cuba.

It relishes the opportunity, and it would not hesitate to take on the full burden in Indonesia, one of the potentially richest countries on the face of the earth, and one of the heavily populated countries.

The Soviet Union would not hesitate to take on the burden of all of Korea, and it would not hesitate in relation to other countries, if it could get them. Economic assistance is a part of our national security program.

Let us take a good look at the self-interest involved. Today we are able to realize 78 cents out of every dollar of foreign economic aid that we loan or grant. Seventy-eight cents out of every dollar is spent on the United States of America for goods and services. The loans are repayable.

I submit that it is one thing to say that countries will not pay back the loans, and another thing to say that the nations receiving the loans are in default.

I remember when it was said that France would not pay back her loan. But the French are ahead in their payments. Not long ago they came over here with about \$490 million in gold. They said, "We do not owe it to you for a few years, but we would like to pay it in advance."

The argument had repeatedly been made that France would not pay back the loan.

Interestingly enough, countries are making their payments and they are doing so on schedule. They are making the payments as a point of national honor.

The argument can be made, "The interest rate is low on these loans."

Mr. President, under the foreign aid program we are not engaged as a banker in the foreign loan business. The Development Loan Fund is being used to make possible viable, relatively strong and stable economies. We want the loan program to be a workable instrument, not because we are bankers hoping to get 4 percent interest, but because we want to make the loan program a workable program so that countries can remain free and independent. I am of the opinion that thus far we have had fairly good results.

It is one thing to have the charge repeatedly made that these programs are no good or that they are overextended. It is another thing to prove the case. Many of the loans are made after the United Nations Special Fund has examined the reliability and desirability of the project. They are made after the World Bank has made its examination in country after country in Latin America. Before loans are made we get the report of the World Bank. Mr. Black, the head of the World Bank, has made money for the World Bank. By the way, the consortium of which we are a part in India was approved by the World Bank. The consortium of which we are a part in Pakistan was put together by the World Bank.

It is about time, instead of merely branding the loans as wasteful and not

repayable, to take a look at where the loans started. How did we get them? How did we participate? In country after country we participated after careful examination as to the soundness of the project. International agencies were brought in to examine the project. The World Bank was brought in to look at the financial feasibility of the project. Private engineering firms were brought in to see whether or not the project would pay out. Only then were loans made.

In fact, the entire problem with the development loan program is that it is too slow. Why? Because we constantly examine it. We have a private bank task force, a World Bank task force, and an Inter-American Bank task force which continually examine, because Congress is demanding that loans be made on a responsible basis.

I would be the last to say that some country may not default on a loan. It may. I have never been in the banking business, but I have friends who are. Some of their so-called best credit risks have defaulted on their loans.

They may. However, the purpose of the development loan fund is to provide for building the kind of world in which free men can live. We do not use this loan fund to extend normal commercial credit. Private banking institutions in this country can fill any need for commercial credit. We use the development loan fund to make loans that have a higher degree of risk.

Let us make up our minds that we are not the only nations in the world with money. We happen to be facing the Communist menace. The Soviet Union may not have enough food for its people, but certainly it has enough gold to place in the international markets. It may not have automobiles for its own people, but it has enough oil to walk into the international markets and destroy them. Sometimes they make loans that literally rock us back on our heels. I heard about a loan the Soviet Union made to India, in which there was a grace period, during which no interest payments were made. They have 10-year loans and 15-year loans. Perhaps we ought to do that. All our loans are not 40-year loans.

I note that the chairman of the Appropriations Committee is momentarily absent from the Chamber, but, as I recall, a large percentage of the development loans was for 20 years. This was debated at the time we considered the Proxmire amendment. They were not only 40-year loans. Some of them were for 15 years. Some of them were for 5 years. The staff will provide us with that information. I do not want this RECORD to show that we have glossed over a give-away program, because that is not what it is.

I repeat what I said before, that 78 cents of every dollar we lend is spent in this country, in some Senator's State.

In 1961, there were 341 loans of 20 years or more.

Mr. ELLENDER. To what fund is the Senator referring?

Mr. HUMPHREY. The Development Loan Fund.

Mr. ELLENDER. That is an old one.

Mr. HUMPHREY. This information is for 1961. That was last year.

Mr. ELLENDER. What are the amounts involved?

Mr. HUMPHREY. \$997 million.

Mr. ELLENDER. Some small loans were made, payable in 20 years, with a low rate of interest, and with a grace period, but they were repayable in soft currencies.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. I believe the record will show that the loans repayable in dollars are for 40 years. That is the procedure now being used. In the meantime, our allies are letting our friends have money, as I pointed out, on a short-term basis, with high interest rates, and with no grace period.

Mr. HUMPHREY. We do that all the time under the Export-Import Bank.

Mr. ELLENDER. No; we do not. We do not allow any grace period.

Mr. HUMPHREY. That may be true.

Mr. ELLENDER. We charge interest from the time the loan is made.

Mr. HUMPHREY. Exactly. What the Senator from Louisiana is saying is that our allies charge interest rates that are reasonable.

Mr. ELLENDER. And so does the Export-Import Bank, which was created about 20 years ago to increase our exports.

Mr. HUMPHREY. In 1942 the charter was changed to provide for development loans. They now carry the going rate of interest.

Mr. ELLENDER. I know quite a bit about that subject, too. The Export-Import Bank did supervise the Cooley loans, but they were soft currency loans.

Mr. HUMPHREY. The Export-Import Bank is in the development loan business, as well as in the export business. Development loans are made for capital goods, which are exported.

These are the loans, in millions of dollars, that were made: The total amount is \$997 million. Of that, \$341 million was for more than 20 years; \$358 million was for loans for between 10 and 20 years; \$298 million was for loans for between 5 and 10 years. The 40-year loan is a very recent development, and was developed originally, as I recall, for the Alliance for Progress program. It has now been extended on a worldwide basis.

Mr. ELLENDER. The Alliance for Progress is not included.

Mr. HUMPHREY. I know it is not included in the Development Loan Fund. Some of the new 40-year loans have been made under the Alliance for Progress, however.

The book provided for us by the Agency for International Development shows the proposed program for fiscal 1963. It states:

Loan terms have actually ranged from those normally required by the Export-Import Bank in connection with its own project loans to terms approximating those of the International Development Association, an adjunct of the World Bank. The former ordinarily charges 5½ percent, frequently permits repayment in 15 years and often offers a grace period of a few years. The latter normally charges a 3½-percent credit fee and requires repayment over 50 years, with a

10-year grace period. AID development loans, however, have yet to exceed a 40-year maturity period.

These were the most recent loans.

Mr. ELLENDER. That is what we have been discussing.

Mr. HUMPHREY. I submit to the Senator that most of the loans, according to the review that has been given to us on the flow of long-term loans, have been for less than 20 years.

Mr. ELLENDER. In the past.

Mr. HUMPHREY. Today.

Mr. ELLENDER. I believe we should check the record. I am referring to the loans we will make now that are repayable in dollars.

Mr. HUMPHREY. Some of the loans.

Mr. ELLENDER. Most of them, at least the larger ones and particularly those made to India.

Mr. HUMPHREY. We are a basic partner in the International Development Association, which was an idea that was given to the Senate by the Senator from Oklahoma [Mr. MORNONEY]. We thought up that idea. It is a multilateral agency, a subsidiary of the World Bank.

I will not take any more time with this amendment. We fought this battle out in many debates. I submit that the Foreign Relations Committee knew what it was doing when it recommended an authorization of \$1,250 million, after extremely careful scrutiny, and the Appropriations Committee reduced the amount by \$125 million. Now the effort is made to reduce it further. If the reduction is made, it will not be in the national interest, and may very well severely limit the development loan program.

Mr. JAVITS. Mr. President, one or two points arose in the work of the committee, of which I am a member, which have not been referred to as clearly as they should, as bearing upon the desirability of sustaining the committee, which is my position.

One of these is a totally new factor, and that is the very large amount of assistance which is going to underdeveloped areas from the Western European nations, the so-called Development Assistance Committee Group, which includes Western Europe and Japan.

According to the testimony of the Administrator of AID, it is expected that in this year we will see that figure approach \$2½ billion.

That compares with our economic assistance of all kinds, including this assistance, which is really ancillary to military activity, of \$3.4 billion. In short, we are beginning to get, for the first time, a ratability of carrying responsibility among the major European countries and Japan and the United States.

I should like to point out as a specific instance, in the case of India, that India had a program in the amount of \$400 million. All the advances made to India by all the other countries of the world in the last 3 years were \$1,249 million. To give some concept of the competition from the Soviet Union, it has advanced India, since 1959, \$893 million.

That is all contained in the report of the House Appropriations Committee on this subject.

I should also like to refer to the fact that in 1961, when this was accomplished, the development-assistance group of countries gave bilateral economic grants and loans of more than 6 years maturity to the less developed countries in the amount of \$1,964 million as against our \$3.5 billion.

In short, what these various figures mean is, first, that the competition with the Soviet Union has become more keen, and if we leave vacuums, they will move into them. When they move in, they do not move in only with money; they move in with so-called technicians. There has been a great deal of head-scratching about technicians, as applied to Cuba. I do not think we want to invite those technicians to many parts of the world, if we can avoid it.

Second is the fact that we are getting some area of ratability with other industrialized nations for the first time since the program has been started. What has bedeviled the foreign aid constantly has been the loan process on the part of the United States—of our principles, our policies, our practices dealing with foreign aid.

I have had experience with this program from the very beginning. I was a Member of the other body at the very inception of the foreign aid program in 1948 and 1949. I myself had much to do with the way in which the Mutual Security Acts have been written. I speak with the greatest of intimacy and knowledge of them.

I think our processes have improved. I think we are making progress in the necessary capital investments in underdeveloped countries, but I do not think we are coming near the mark of what is required. When we talk about billions of dollars, let us remember we are dealing with a billion and a half people.

When we talk about billions of dollars, let us remember that we are dealing with a billion and a half people who are tremendously under par in terms of standard of living, sanitation, and education, in the most rudimentary aspects of life.

If we are trying to build a world in which we ourselves will live on a fairly decent street and will not be surrounded by slums which are impossible to live with, we must build this program and make certain that it is adequate. No one believes for a minute that the U.S. Congress will do much more than it is doing and has done in recent years. I agree with that. I have not tried for any more. But I certainly do not think we can cut the program without doing grave damage to the whole program, especially since other nations are now moving in and making it come somewhere near what it should be.

The real problem is that the aid is not enough. There are too many hundreds of millions of people. There are too many countries, and there is too much abysmal poverty and backwardness in the world to be caught up with by aid in the amount of \$3,500 million on the part of the United States and \$2,500 million on the part of the other industrialized na-

tions of the world, making a total in the area of \$6 billion. That is not enough. Therefore, we have had to look to what is essentially the private economic system; but the private economic system will not enter the program until, first, there is a greater awareness of its desirability from the newly developing countries; second, until the bases are more securely laid in ports, roads, communications, and in the fundamental infrastructure, in which we are still so far behind in building, as is evidenced in India and other underdeveloped countries.

No one claims or says that those people will become Communists because we feed them. But it is said that the national aspirations of the new countries will become somewhat worse if progress is not made in building them up to responsible nationhood. The people will not have an inducement to try to become free. That is what we are talking about. No miracles are being promised. We are dealing with the life and death of hundreds of millions of people. We are dealing with the liberty of the whole world.

On those terms, I am for meeting the bill which experience and practice have demonstrated is worthwhile. We should not be niggling about it.

I admire and pay my tribute to the Senator from Louisiana [Mr. ELLENDER], who, because of his thoroughness and the fact that he does his homework and keeps boring in, makes people perform so much better than they ordinarily would. I am happy to say that. So I do not speak in disrespect when I say that comparing this proposal with what ought to be done; compared with the responsibilities which we are trying to carry; compared with what we are trying to inspire and animate in our industrial partners throughout the world, the proposed cut is unwise.

The House went infinitely too far. We are trying to adjust the balance to some extent. I think if we try to make a \$200 million cut now, we will be missing the forest for the trees and will be unwise in our own interest in not carrying on favorably and adequately.

Perhaps this is not so severe a cut. That is not what is at stake. Can any Member of the Senate guarantee what countries would have fallen to communism if we had not been engaged in this program? Would it have been Greece, Turkey, Iran, India, Pakistan, Burma, or any other country, including Indonesia? What Member of the Senate can say that any of those countries would not have fallen to communism?

We have kept most of the people in the world free, notwithstanding the revolutionary aspects of the people, notwithstanding their hatred of colonialism, as typified to them by white Europeans or by white Americans.

We have paid for it, not in blood, but in treasure. Let us therefore assess the worth of the program and whether we ought to make a minor cut, although a hurtful cut, in what has served us so well in our offensive at home.

Let us not cripple ourselves in such a way as to discredit others who are at

long last participating, so that they, too, may begin to make a shift and pull out, instead of moving forward, as we now see they are happily doing and are able to do.

I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. BARTLETT voted "nay."

Mr. ELLENDER. Mr. President—

Mr. BUSH. Mr. President, a point of order—

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I would like to refer to the loans we have made during fiscal year 1962 to India.

Last year, there was loaned to India \$405 million. All of the loans were 40-year loans, and the rate of interest was three-quarters of 1 percent. There may have been some loans in the past which are repayable in soft currencies which carried shorter terms, but most of the loans repayable in dollars cover a 40-year period.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BURDICK (when his name was called). On this vote, I have a pair with the junior Senator from Tennessee [Mr. GORE]. If the Senator from Tennessee were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. LAUSCHEL], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Oklahoma [Mr. MONROEY], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Alabama [Mr. HILL], and the Senator from Oregon [Mrs. NEUBERGER] would each vote "nay."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from

Alaska would vote "yea," and the Senator from Illinois would vote "nay."

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Kentucky [Mr. MORTON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Kentucky [Mr. MORTON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "yea."

The result was announced—yeas 34, nays 40, as follows:

[No. 298 Leg.]	YEAS—34	
Beall	Hickenlooper	Proxmire
Bible	Hruska	Robertson
Bush	Johnston	Russell
Byrd, Va.	Jordan, N.C.	Smith, Maine
Cannon	Jordan, Idaho	Stennis
Carlson	Keating	Talmadge
Curtis	Long, La.	Thurmond
Eastland	Miller	Williams, Del.
Ellender	Morse	Yarborough
Ervin	Mundt	Young, N. Dak.
Fong	Murphy	
Goldwater	Pearson	

#### NAYS—40

Allott	Humphrey	Muskie
Bartlett	Jackson	Pastore
Boggs	Javits	Pell
Byrd, W. Va.	Kefauver	Randolph
Carroll	Kerr	Saltonstall
Case	Kuchel	Smathers
Church	Long, Mo.	Smith, Mass.
Cooper	Long, Hawaii	Sparkman
Dodd	Mansfield	Symington
Engle	McCarthy	Wiley
Hart	McGee	Williams, N.J.
Hartke	McNamara	Young, Ohio
Hayden	Metcalf	
Holland	Moss	

#### NOT VOTING—26

Aiken	Cotton	Magnuson
Anderson	Dirksen	McClellan
Bennett	Douglas	Monroney
Bottum	Fulbright	Morton
Burdick	Gore	Neuberger
Butler	Gruening	Proutry
Capehart	Hickey	Scott
Chavez	Hill	Tower
Clark	Lausche	

So Mr. ELLENDER's amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. McGEE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### SECTION 112 REQUIRING U.S. APPROVAL OF ALL FIRMS PROVIDING CERTAIN SERVICES FOR CAPITAL PROJECTS

Mr. HUMPHREY. As I understand, there is a new requirement in this year's appropriation bill which would require that the U.S. directly approve any firm providing engineering, procurement and construction services on capital projects financed with foreign-aid funds. If I am correct in my understanding of this

provision, I consider it a salutary requirement for the protection of the U.S. taxpayer. Therefore, am I correct that under this provision foreign-aid funds granted or loaned for the purpose of developing a capital project cannot be paid out to any firm providing engineering, procurement and construction services for that project even though the aid recipient may have made the initial decision to do business with that firm, unless the U.S. Government directly approves the firm?

Mr. HAYDEN. The Senator's understanding is correct.

Mr. HUMPHREY. Therefore, am I also correct that where U.S. assistance is to a program carried out and administered on a multilateral basis such as the NATO infrastructure program or programs of certain international organizations, and the U.S. assistance is not directly identified with any particular services required for the program, this provision is not intended to apply.

Mr. HAYDEN. The Senator's understanding is correct.

**SECTION 107(b) PROHIBITING ASSISTANCE TO COUNTRIES WHOSE SHIPS CARRY STRATEGIC CARGO TO CASTRO CUBA**

Mr. HUMPHREY. There is a new limitation this year in the appropriations bill directed at those countries which fail to cooperate in carrying out controls on transportation of arms and strategic items to Castro Cuba. With modern technology, an article which is not strategic today may be tomorrow. In addition, the world's maritime commerce is a huge and complex institution—Involving flag-of-convenience carriers, long-term charters, tramp freighters which seldom if ever touch their flag ports, and international agreements of various kinds. It seems to me it is very important that the administration have some precedents and guidelines for carrying out the policy of this provision. I therefore note with approval that the limitation draws for language and concept on the Battle Act, which has been time-tested in the field for strategic trade controls. I ask the chairman of the Appropriations Committee whether I understand correctly that the shipping controls under this provision would be administered in the same manner as strategic trade controls under the Battle Act and that similar guidelines would be used to determine what items are controlled and when violations occur so that U.S. assistance must be withheld?

Mr. HAYDEN. Ycs; the Senator is correct.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HAYDEN. Mr. President, I send to the desk an amendment and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona will be stated.

The CHIEF CLERK. It is proposed, on page 4, after line 20, to insert the following before the period: "and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of

1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under 'Economic Assistance', are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided*, That such purpose relates to a project previously justified to Congress."

Mr. HAYDEN. Mr. President, this amendment will restore to the bill the language in section 115 which was stricken this afternoon on a point of order.

In the language included in the bill in the House, on page 4, lines 15 to 20, the unobligated balances of unexpended funds as of June 30, 1962, were continued available by the House for the same general purpose.

The language I have offered will continue available the obligated unexpended balances of funds during fiscal year 1963.

Since the language I am offering amends a legislative provision included in the bill by the House, it is not subject to a point of order. It can readily be seen from reading the House language and my amendment that the language submitted is germane.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ELLENDER. How much money will that add to the bill?

Mr. HAYDEN. It will not add any money to the bill. It may make available anywhere from \$88 to \$160 million in funds previously appropriated, obligated, and subsequently deobligated.

The committee adopted the amendment in the committee, it was debated on a point of order, and I have just offered it to another place.

Mr. HUMPHREY. Mr. President, if the Senator will yield, the amendment does for economic assistance what the other language did for military assistance. Is that correct?

Mr. HAYDEN. That is correct.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, before the vote, I want to point out that the purpose of the amendment is to add to the bill between \$88 and \$160 million. I do not know why that variation, but that is the nearest estimate we can get from the committee. The bill already calls for an appropriation, as reported by the Senate committee, of \$6,781,402,000. That is \$2,658,057,000 more than was appropriated under the same foreign aid appropriation last year. Having added \$2.6 billion to this bill, I see no reason why we should now add somewhere between \$88 and \$160 million more.

I ask unanimous consent to have printed at this point in the RECORD the first page of the committee report, which shows the breakdown of the full amount of the appropriations as reported by the committee.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

The Committee on Appropriations, to whom was referred the bill (H.R. 13175), making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House-----	\$5,956,852,000
Amount of increase by Senate committee-----	824,550,000

Amount of bill as reported to the Senate House-----	6,781,402,000
Amount of estimates, 1963-----	7,335,029,000

Amount of appropriations, 1962-----	4,123,345,000
The bill as reported to the Senate: Under the estimates for 1963-----	553,627,000

Over the appropriations for 1962-----	2,658,057,000
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Mr. HUMPHREY. Mr. President, let us get the record clear here. This bill, insofar as the amendment offered by the chairman of the committee is concerned—

Mr. WILLIAMS of Delaware. I will yield in just a moment.

Mr. HUMPHREY. I thought the Senator had completed his statement. I am sorry.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. WILLIAMS of Delaware. I will yield in just a moment. An indication of what we are doing here, I call attention to the fact that earlier today we passed another appropriation bill in which we added about \$1,200 million over and above the amount appropriated for the same agency last year.

This means that if we pass these two appropriation bills today we shall have increased the expenditures for this year, as compared to last year, by approximately \$3.8 billion. I see no reason why we should now add to the pending bill an additional \$88 million to \$160 million, as provided in the pending amendment.

Why should not the money revert to the Treasury?

I ask unanimous consent that an extract from the report on the public works appropriation bill be printed at this point in the RECORD. This is the bill passed earlier today.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

The Committee on Appropriations, to whom was referred the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes, report the same to the Senate, with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House-----	\$4,613,807,900
Amount of increase by Senate (net)-----	597,463,500

Amount of bill as reported to Senate-----	5,211,271,400
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Amount of estimates for 1963 (including \$906,419,000 in estimates not considered by the House)-----	\$5,651,751,000
Amount of appropriations, 1962-----	3,940,955,980
The bill as reported to the Senate-----	
Under the estimates for 1963-----	440,479,600
Over the appropriation for 1962-----	1,270,315,420

Mr. HUMPHREY. Mr. President, I think the RECORD ought to be made clear that the amendment does not appropriate new money. It makes available unexpended, obligated balances which may be deobligated. It is not new money being added. We did the same thing with reference to military assistance. The chairman of the committee seeks to provide the same thing for economic assistance.

When the Senator from Delaware talks about this being a \$6 billion bill as if the AID program was a \$6 billion enterprise, I think the facts ought to be set out that \$2 billion of it is for the International Monetary Fund, which is an obligation of this Government under the decision of the Executive Directors of the International Monetary Fund, of which we are a member, and which was authorized by public law of the Congress of the United States without a dissenting vote.

I think it is not fair to talk about adding \$2 billion as if it were a part of the foreign aid program of the United States.

There is still another item. It is the lending authority of the Export-Import Bank, which, under other circumstances, has always been considered as a separate item in our legislative program. But the Export-Import Bank, which makes money for the Government, and does not lose money, which produces revenue for the Government, is included in the bill.

So far as funds are concerned for the foreign aid program, what we have been talking about here is below the authorization requested. It is \$500 million below what the administration originally asked for.

I do not think the RECORD ought to be left as if the \$2 billion for the International Monetary Fund and the \$1,295 million as the limit of the lending authority under the Export-Import Bank were to be considered as under the normal development loan functions of the AID administration.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. I think the strongest argument for the amendment which the Senator from Arizona has offered is the fact that it has been in the bill for 4 of the last 5 years. When it has been in the bill they have deobligated the following sums: In 1957, \$127 million; in 1958, \$144 million; in 1959, \$153 million; in 1960, \$160 million. Then, in fiscal 1961, the year when it was not in, they only deobligated \$69 million. They did not bother to deobligate where they could not reobligate. Consequently, the money was not as well

spent as in the years when they could reobligate into channels that would be of more value, greater usefulness, and more efficiency.

Consequently, this is not new money. It is making more valuable use of money we are appropriating.

Mr. WILLIAMS of Delaware. Mr. President, I fail to see the difference whether it is new money or old money. It is taxpayers' money which as yet has not been spent. It was appropriated for use in the preceding fiscal year. It was not spent. If the pending amendment is not adopted it reverts to the Federal Treasury.

As to the argument of the Senator from Minnesota that I have exaggerated the figures in quoting these appropriations as compared to last year's, I am reading from page 1 of the report of the Appropriations Committee. I have asked to have it printed in the RECORD, and this report shows that the appropriation for this year for Foreign Aid is increased by an amount of \$2,658,057,000.

I did not attempt to detail a breakdown of either this year's appropriation or last year's appropriation, but I repeat that when we pass this bill it represents a \$2.6 billion increase over what was appropriated for the comparable agency in the preceding year. These figures are based, not on my figures, but on the report put out by the Appropriations Committee. The adoption of the pending amendment will provide an additional \$88 million to \$160 million. I think the amendment should be defeated.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have portions of the committee report, from pages 16 and 17, relating to the International Monetary Fund and the Export-Import Bank, printed at this point in the RECORD.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

**TITLE III—INTERNATIONAL MONETARY FUND**  
**Funds appropriated to the President—Loans  
to the International Monetary Fund**

1962 appropriation-----	None
1963 estimate-----	\$2,000,000,000
House allowance-----	2,000,000,000
Committee recommendation-----	2,000,000,000

The committee concurs with the House allowance of \$2 billion for this item, and also recommends the deletion of the language "to remain available until December 31, 1966," inserting in lieu thereof "to remain available until expended."

This appropriation is authorized by Public Law 87-490, which became law on June 19, 1962. An appropriation of \$2 billion is required in order to complete action requisite for the United States to adhere to a decision of the Executive Directors of the International Monetary Fund of January 5, 1962. In adhering to the decision of the Fund, the United States must deposit an instrument "setting forth that it has adhered in accordance with its law and has taken all steps necessary to enable it to carry out the terms and conditions" of that decision. The United States must, accordingly, be in a position to lend up to \$2 billion to the Fund. The United States would not be expected to lend to the Fund in the absence of a substantial improvement in its balance-of-payments position. No loan is presently contemplated, nor is such a loan likely under present conditions.

**TITLE IV—EXPORT-IMPORT BANK OF WASHINGTON**

TOWNSHIP

*Limitation of obligational authority (operating expenses)*

1962 appropriation-----	\$1,300,000,000
1963 estimate-----	1,295,000,000
House allowance-----	1,295,000,000
Committee recommendation-----	1,295,000,000

The committee concurs in the House action in placing a limitation of \$1,295 million on the program of the Export-Import Bank of Washington for fiscal year 1963.

Although this amount was not estimated by the Bank, it was submitted as the proposed program for fiscal year 1963.

*Limitation on administrative expenses*

1962 appropriation-----	\$3,010,000
1953 estimate-----	3,000,000
House allowance-----	3,000,000
Committee recommendation-----	3,000,000

For the limitation on administrative expenses, the committee concurs in the House allowance of \$3 million.

Mr. HUMPHREY. I wish to make it clear that the \$2 billion for the International Monetary Fund is in the form of a loan from this country, under which there is no contemplation of fulfillment at this time. It is not fair to say that that is a part of the Foreign Aid Appropriation.

Mr. WILLIAMS of Delaware. Mr. President, I am not arguing the question as to what the money is to be appropriated for. I am only quoting the figures of the report as they are before the Senate. Based upon the committee report, which I accept and which is not challenged, we would under the provisions of the pending bill be appropriating \$2.6 billion above last year's appropriations for this same program. I did not go into the details of all the \$6.7 billion appropriation, but those are the hard facts.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Ohio [Mr. LAUSCHEL], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Oklahoma [Mr. MONROEY], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator

tor from Tennessee [Mr. KEFAUVER], and the Senator from Oregon [Mrs. NEUBERGER] would each vote "yea."

On this vote the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from Alaska would vote "nay" and the Senator from Illinois would vote "yea."

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Kentucky [Mr. MORTON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "nay."

On this vote, the Senator from Vermont [Mr. AIKEN] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Kentucky would vote "nay."

The result was announced—yeas 40, nays 34, as follows:

[No. 299 Leg.]

YEAS—40

Allott	Javits	Pell
Bartlett	Keating	Randolph
Burdick	Kerr	Saltonstall
Byrd, W. Va.	Kuchel	Smith, Mass.
Cannon	Long, Mo.	Smith, Maine
Carroll	Long, Hawaii	Sparkman
Case	Mansfield	Stennis
Dodd	McCarthy	Symington
Engle	McGee	Talmadge
Hart	McNamara	Williams, N.J.
Hartke	Metcalf	Yarborough
Hayden	Moss	Young, Ohio
Humphrey	Muskie	
Jackson	Pastore	

NAYS—34

Beall	Fong	Murphy
Eible	Goldwater	Pearson
Boggs	Hickenlooper	Proxmire
Bush	Holland	Robertson
Byrd, Va.	Hruska	Russell
Carlson	Johnston	Smathers
Church	Jordan, N.C.	Thurmond
Cooper	Jordan, Idaho	Wiley
Curtis	Long, La.	Williams, Del.
Eastland	Miller	Young, N. Dak.
Ellender	Morse	
Ervin	Mundt	

NOT VOTING—26

Aiken	Dirksen	Magnuson
Anderson	Douglas	McClellan
Bennett	Fulbright	Monroney
Bottum	Gore	Morton
Butler	Gruening	Neuberger
Capehart	Hickey	Prouty
Chavez	Hill	Scott
Clark	Kefauver	Tower
Cotton	Lausche	

So Mr. HAYDEN's amendment was agreed to.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SMATHERS obtained the floor.

Mr. SMATHERS. Mr. President, by previous arrangement I had agreed with the Senator from South Carolina [Mr. JOHNSTON] to yield to him without losing my right to the floor. I understand that he wishes to make a brief statement.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Florida? The Chair hears none, and it is so ordered.

The Senator from South Carolina is recognized.

Mr. JOHNSTON. Mr. President, I have at the desk two amendments. I shall not call up either one of them due to the fact that the Proxmire amendments covered practically the same purpose. I ask unanimous consent that the amendments be printed, and that they be printed also at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments submitted by Mr. JOHNSTON are as follows:

On page 9, beginning with line 23, it is proposed to strike out over through line 6 on page 11 and insert in lieu thereof the following:

"SEC. 109. No funds appropriated by title I of this Act, except funds appropriated under that section entitled 'American hospitals abroad (special foreign currency program)' shall be expended in, or for the benefit of, any nation whose government is based upon that theory of government known as communism."

On page 7, beginning with line 24, it is proposed to strike out over through line 6 on page 9 and insert in lieu thereof the following:

"SEC. 107. (a) None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or permits ships under its registry to deliver arms, ammunition, implements of war, or other goods, wares and merchandise to that regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose ships are used to transport any military or economic supplies to that regime.

"(b) None of the funds appropriated in this title shall be available for assistance to any country which permits vessels registered, enrolled, licensed, or otherwise documented under its laws to transport to Cuba, so long as it is governed by the Castro regime, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies contained on the list (known as the 'positive list') maintained by the Secretary of Commerce of commodities with respect to which an export license is required under the Export Control Act of 1949."

Mr. JOHNSTON. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from South Carolina will be stated.

The CHIEF CLERK. On page 17, between lines 2 and 3, it is proposed to insert the following new section:

SEC. 603. No part of the funds made available by this Act shall be obligated during any period unless there is in effect with respect to such period a determination made and published by the President that—

(a) estimated revenues of the Federal Government during the fiscal year ending June 30, 1963, will equal or exceed estimated expenditures of the Federal Government for such fiscal year, and

(b) estimated expenditures of funds made available by this Act will not cause estimated expenditures of the Federal Government for the fiscal year ending June 30, 1963, to exceed estimated revenues of the Federal Government for such fiscal year.

On page 17, line 3, it is proposed to strike out "SEC. 603" and insert "SEC. 604".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

Mr. JOHNSTON. Mr. President, as Senators will note, the amendment is very simple. We know that the billions of dollars provided for foreign aid will increase the indebtedness of the United States. Next year, or later on, there will be another effort to raise the debt ceiling.

The amendment provides that if we are going to have all these giveaway programs as set forth in the bill, we can spend the money, provided the taxpayers of the United States will not have to reach down into their pockets and borrow money to pay the interest on the necessary loan for perhaps the next 100 years. We are so free hearted that we wish to give the money away. That is about all the amendment would have to do with the bill. I merely wish to remind Senators that we are building up the indebtedness of the United States year by year. Senators will note that from year to year an effort is made to raise the ceiling in almost the same amount provided in the giveaway program. I think the problem is serious when we are not balancing the budget at the present time. Therefore I am calling upon Senators to do what they believe is right in a problem of this kind. I know that we will give the money to foreign countries. It is easy to give money to a foreigner. But let us look at the program a few minutes from another standpoint. We often find that when we want to pay the \$5,000 claim of a citizen of the United States, it is hard to have the claim approved.

I believe this is the 16th consecutive year that I have stood on the Senate floor to oppose wasteful, giveaway, foreign aid programs.

I am glad to say that opposition has been increasing each year against foreign aid programs and all the related and interrelated projects which travel under many misnomers such as mutual security.

We have to change the name quite often in order to prevent people from knowing that we are doing the same thing over and over again. I believe the foreign aid programs have done nothing to halt the growth of communism in the world.

Foreign aid has done nothing to keep communism behind the Iron Curtain, and we have only to look to Korea, to Vietnam, to Laos, to India, to Hungary, to Germany, and regrettably, more recently, to Cuba, 90 miles off our shore.

The intent of the creators of foreign aid was good, but the great experiment proved to be a pipedream that has drained the economy and physical strength of the American people and, in fact, has lowered the moral fiber of our Government.

Never in the history of the American Republic have we suffered the degrading and humiliating insults and injuries which we suffer today and which we have suffered ever since the infamous sell-out truce in Korea. The American people have never been able to fully stomach the defeat we suffered in Korea but which was sold to the American people under the label of truce.

Neither will the American people ever stomach the namby-pamby policy of reaction by our Government which resulted in the great sellout and subsequent inaction which helped to turn Cuba over to the Communists in our own backyard.

The philosophy behind our foreign-aid program was to help countries weakened by World War II to survive and buck Communist encroachments. This "help" philosophy through the years, however, has turned into a general philosophy of "appeasement" and "peace at any price."

The U.S. Congress has been brainwashed with the statements and policies emanating from the State Department, never changing from one administration to the next. The Congress went along with all the huge requests for foreign aid, mutual assistance and mutual security, and was led blindly down the primrose path of appeasement.

The House of Representatives several days ago put into the foreign aid appropriations bill a mandate that we cut off foreign aid to Poland and to Yugoslavia. The House of Representatives likewise placed in the foreign aid appropriations bill a provision that no foreign aid funds can be available for assistance to any country selling arms, ammunition, and implements of war to the Castro regime, or permitting its ships to deliver arms, ammunition, implements of war, and other goods to Castro.

The Senate Appropriations Committee amended these provisions, leaving it up to the President of the United States to determine, in his judgment, whether or not such funds should be cut off from any country aiding and abetting our Communist enemy Cuba, and the Communist satellite countries of Yugoslavia and Poland.

Mr. President, when we in the Congress cannot even get together on the withholding of handout, giveaway help to our dedicated enemies whose sole goal in life is to destroy us, then I say America shall never survive. We either reverse such willy-nilly tactics, or communism will continue to march against us.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to the Senator from Arizona for a question.

Mr. GOLDWATER. The Senator sounds as though he is speaking against the Kennedy administration. Am I correct in that assumption?

Mr. JOHNSTON. I am speaking against any administration that supports this giveaway program.

At the same time, it is doing no good for us so far as friendship between nations is concerned. I have said, not once but on many occasions, that we cannot buy the friendship of any individual. Neither can we buy the friendship of any nation.

Mr. GOLDWATER. The Senator is not answering my question. Am I to understand that he is speaking against the Kennedy administration?

Mr. JOHNSTON. It is against the Kennedy administration now, and was against the Eisenhower administration and was against the Truman administration.

Mr. GOLDWATER. Does the Senator go back to Roosevelt?

Mr. SMATHERS. Mr. President, do I not have the floor?

The PRESIDING OFFICER. Does the Senator yield?

Mr. SMATHERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMATHERS. As I understand, the Senator from Florida has the floor. I yielded to the Senator from South Carolina.

Mr. JOHNSTON. I yielded only for a question.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Senator from Florida yielded to the Senator from South Carolina.

Mr. SMATHERS. I yielded to the Senator from South Carolina, with the understanding that I would not lose my right to the floor, only to make a speech, not to answer any questions.

Mr. GOLDWATER. The Senator from Arizona recognizes his usual weakness, and he will sit down.

Mr. JOHNSTON. I do not know where or how foreign aid has done anything to halt communism. The carrying out of the foreign aid program has served no useful purpose to the American people, militarily, economically, physically, or mentally. Our textile workers, our glass workers, our steel workers, automobile workers, garment workers, and every trade and profession in the United States suffers in one way or another because of cheap, foreign imported goods from countries whose economies and industries were built with the help of our foreign aid program and our big manufacturers.

The farmers of America who grow tobacco, cotton, corn, wheat and practically all the other foods and fibers are today suffering as a result of foreign aid which stimulated foreign agricultural production. When we see hams from Communist Poland—and the Presiding Officer [Mr. TALMADGE] realizes what that means—hams—Communist Yugoslavia materials, Japanese textiles, Hong Kong fabrics, and other such goods, we are looking at work and dollars that have been taken away from the American workers and farmers.

All of this has been brought about to a large extent by foreign aid.

The PRESIDING OFFICER. The Senate will be in order. Senators will cease conversation.

Mr. GOLDWATER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. What was the point the Presiding Officer was trying to make?

The PRESIDING OFFICER. The Chair did not hear the inquiry of the Senator.

Mr. GOLDWATER. What was the point that the Presiding Officer was trying to make?

The PRESIDING OFFICER. The Presiding Officer was calling the Senate to order so that the Senator from South Carolina could be heard.

Mr. GOLDWATER. I thought the Senator from Florida had the floor.

The PRESIDING OFFICER. The Senator from South Carolina has the floor by unanimous consent. The Senator may proceed.

Mr. JOHNSTON. Mr. President, instead of weakening the House bill provision mandatorily cutting off foreign aid from Communist countries and nations helping our Communist enemies, the Senate should have joined in and strengthened these provisions. We should tie the hands of the President of the United States from ever permitting foreign aid to pour behind the Iron Curtain, or be given to any country that would help Communist enemies in the Western Hemisphere, at least in other parts of the world.

How foolish, ridiculous, and stupid can the Congress become when it takes the very program that was designed to halt communism and allow it to be used to advance communism?

We are fast reaching the crossroads of history where we must decide to exercise our sovereign right as a nation in order to survive, or be swept away into the ocean of dead civilizations.

When we send aid to a country to help its economy and it, in turn, permits its ships or planes or people to be used to help ship military arms and military personnel to Cuba, where a base is being constructed to blow us off the map, then I say we are stupid.

When we continue to send foreign aid to a country which reaches a trade agreement with Communist China to sell Communist China 50 percent of its ammonium chloride fertilizer production, then I say we are again stupid.

Japan, which has abundantly benefited from our foreign aid and by our lop-sided trade agreements which have put American textile people out of work, has agreed to sell Red China 50 percent of its ammonium chloride fertilizer production.

The greatest handicap that has prevented Red China from openly attacking the United States has been its starving population, and now Japan, a recipient of our foreign aid, is furnishing the fertilizer to help Red China overcome its food shortages, and place it in a position to commit aggression far beyond the Asian scene where it has been

stirring strife in Korea, Vietnam, Formosa, Tibet, and India.

Our only hope in Red China is for its starving millions to revolt against the Communist regime, and even this hope is scant. Yet we would permit foreign aid to continue to Japan while she helps feed Red China with fertilizer.

I do not care if it is former President Eisenhower, President Kennedy, former Vice President Nixon, or former President Truman—a Democrat, a Republican, or what have you—living in the White House; I think it is time for the Congress to tie the hands of our President on this score and see to it that the American taxpayers do not provide the tools and money to help our enemies, who would destroy us when they become powerful enough.

I charged in 1960, and I charge today, that foreign aid is a form of suicide, and to continue it is to play Russian roulette with the very life of our Nation. At the very least, let us put the brakes on and let us put some teeth into this bill to where it will do some good. If we cannot cut it off from people who are cutting our throats, then we ought to junk the program in the first place.

I have the greatest respect for Senators on both sides of the aisle who are members of the Appropriations Committee, but I shall never understand the reasoning which led them to remove the mandatory cutoff provision for foreign aid to Communist countries and from those countries which would bite the hand that feeds them.

We should just put it up to the countries which are hauling Russians and their military supplies to Cuba in plain language: "Take it or leave it. You can have our foreign aid or you can have the Russian trade, but you cannot have both." Then we will see how much friendship means and whether or not we have been playing a sucker game all these years.

No one in the U.S. Senate can point to one act by Yugoslavia or Poland that has helped our country.

Mr. President, regardless of all the foreign aid that has gone into Poland, all we have received from that country have been demonstrations and riots against Americans and American Embassies every time a crisis develops between the free world and the Communist world.

In the case of Yugoslavia we have received no encouragement to indicate she is not still under the Russian paw. If anyone does not believe this, let him consider the votes cast in the United Nations.

I wonder what good America is getting out of the more than \$100 million that have been poured into Yugoslavia. Extravagance in the foreign-aid program has been beyond human imagination, and the errors have been more excessive than in any program ever devised by the American Government.

The Government Operations Committee in 1958 filed a report in which it said it was actually impossible ever to tabulate completely in dollars and cents the foreign-aid programs in Laos, or to de-

termine how much was wasted, stolen, pilfered, and lost in the shuffle.

This committee, highly critical of the foreign-aid program, cited 10 mail deficiencies of foreign aid. These deficiencies and faults still remain with the program, and the committee at that time said:

All of these deficiencies, and more besides, were present in the United States aid program in Laos.

Mr. President, I ask Senators: What good did foreign aid do in Laos, and what condition is that country in today?

These criticisms made of the program in Laos had previously, in most cases, been made of the program in Iran 2 years before.

Mr. President, if the truth were known, these deficiencies and faults, and many more, have held true in the foreign-aid program of every country where conducted, and probably hold true even more so today than ever before.

If the faults of the foreign aid program were solely inefficiency, graft, corruption, demoralization, and waste, but the program was holding back communism, then we could possibly justify it "as a means to an end." But when the program has utterly failed in all of these areas, and now has become a tool to unemploy American workers, put American industries out of business, drive American farmers off the farms, and help communism encroach against our very shores, then there is no justification left for its continuance.

Some people argue that a great deal of the money in foreign air business never leaves the United States—I heard that statement made tonight—and that the program has stimulated certain areas of trade.

Just how many dollars in value of goods have left our country under this program is not nearly as important as how many jobs this program has destroyed. How many tons of gold it has caused to be moved from American vaults to the vaults of foreign countries, and how much of this foreign aid has stimulated recipient nations to trade with Red China, Red Russia, and Red Cuba.

Mr. President, I urged with all sincerity within me, that the Senate restore the mandatory cutoff language to keep foreign aid out of the hands of Communist countries and nations dealing in the nauseating business of transporting and providing military supplies and critical materials and warmongering personnel to our Communist enemies.

Likewise, I urged the Senate to reduce the amount of foreign aid contained in the bill as reported by the Appropriations Committee of the Senate, at least to the sum of \$3.7 billion reported by the House.

It is horrible to realize that this monstrous foreign aid program contains money which will generate electricity for Communist homes, help produce fertilizer for Communist farms, help construct plants to produce equipment and things for Communist industries and Communist countries, and probably con-

tains money that will be building ships to transport Communist military equipment and Communist personnel to Cuba, which is standing ready to kill American marines, soldiers, and sailors at a moment's notice.

The conscience of the U.S. Senate needs to be stirred. Whatever the trade involved, whatever the funds contained in the bill may mean to the special interest groups which lobby so fervently for its passage—none of it can be worth the price we may eventually have to pay: our very freedom and the lives of Americans.

The philosophy which is perpetuating foreign aid is far removed from the philosophy that generated it. The philosophy which is now urging the continuance of foreign aid is based upon appeasement. The philosophy that created foreign aid was meant to be an act of Christian help from a nation of plenty to a war-wrecked world. The philosophy which now continues foreign aid is one of "buying an ally," and is foreign to American morality.

The type of philosophy which wants foreign aid continued comes from the State Department, where the philosophy to help Castro and to destroy the friendly Batista government in Cuba originated. Our former ambassador to Cuba, Earl E. T. Smith, reveals dramatically in the current issue of U.S. News & World Report the kind of distorted, misguided government philosophy or policy that existed under the Eisenhower administration that led to our woes in Cuba.

I add, for the benefit of those who may think I am partisan on this issue, that I do not believe President Kennedy's action on the Cuban problem has done anything to better the situation. On the contrary, I believe his action has allowed it to worsen. He, too, has listened too much to the State Department.

Former Ambassador Smith reveals how the so-called career men of the lower echelon of the State Department developed and put into effect the program which embraced pro-Communist Castro and isolated us from pro-American Batista.

Mr. Smith, simply but firmly and without fiction, states that the State Department was well aware that Castro had socialistic leanings and was surrounded by Communists, including his own brother, Raul Castro, and Guevara, who had been an active Communist in Guatemala and Mexico. He dates his findings, ironically, back to 1957, the year I warned of the Communist conspiracy in a report to the U.S. Senate; but that report was ridiculed by the State Department and the radical press.

Mr. President, the philosophy which tolerated such an asinine foreign policy as to help Communist Castro rise to power in Cuba is the same asinine philosophy which now wants to continue to send foreign aid to Communist countries and to countries which are actively engaged in the unconscionable business of shipping military supplies, guns, tanks, rockets, and other materials of war, to Cuba.

Mr. President, in the name of Americans who probably will have to die to defend our country against communism, I ask that foreign aid be ended. I plead with the Senate at the very least to cut off this aid from Communist countries and those which would help our Communist enemies.

No political party or political leader is innocent of having been duped into supporting this program, which has cost us billions and billions of dollars. No one knows the total price in jobs—and, yes, in lives—that it may ultimately cost.

As I warned on April 28, 1960, when we play the game of foreign aid, we are playing a game of Russian roulette with our very lives. The end of this monstrous mess must come soon, or it may help to bring an end to us.

Mr. President, I hope the Senate will adopt my amendment, and by doing so will assure the people of the United States that we will not increase our indebtedness. If my amendment is put into effect, I believe it will be found that we will not give away any aid at all.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the amendment of the Senator from South Carolina.

Mr. DODD. Mr. President—

The PRESIDING OFFICER. The Senator from Florida had the floor, and yielded to the Senator from South Carolina.

Mr. DODD. Mr. President, may I proceed at this time?

The PRESIDING OFFICER. In the temporary absence of the Senator from Florida, the Senator from Connecticut is recognized.

Mr. DODD. Mr. President—

Mr. GOLDWATER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the acting majority leader?

Mr. DODD. Yes, Mr. President—particularly in view of the very unusual situation in which we find the Senator from Arizona sitting in the seat of the majority leader.

Mr. GOLDWATER. No, Mr. President; in view of the natural bent of Senators, it is not at all unnatural for me to be sitting in this seat; it is a very comfortable seat. Furthermore, by sitting here I have been closer to the desk of the Senator from South Carolina while he has been delivering his speech, which I realized was quite in keeping with the traditional conservatism of the South.

Mr. DODD. Mr. President, the Senator from Arizona has given me comfort on many occasions, although it is true that he has pained me on other occasions. He is a most distinguished and able Senator.

Mr. GOLDWATER. I hope the comfort I have given the Senator from Connecticut exceeds by at least a little the pains I may have given him.

Mr. DODD. That is true.

Mr. President, I ask unanimous consent that at this time I may submit an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. KERR. Mr. President, a parliamentary inquiry: What is the pending request?

The PRESIDING OFFICER. The Senator from Connecticut has asked unanimous consent that at this time he may submit an amendment.

The pending question is on agreeing to the amendment of the Senator from South Carolina [Mr. JOHNSTON]. Is there objection to the request of the Senator from Connecticut that he may submit an amendment at this time, in which case the pending amendment of the Senator from South Carolina would be temporarily displaced?

The Chair hears no objection; and it is so ordered.

Mr. DODD. Mr. President, I call up the amendment which I have at the desk. It is offered to the committee amendment on page 16, line 7.

The PRESIDING OFFICER. The amendment of the Senator from Connecticut to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 16, in line 7, it is proposed to strike out "\$16,677,000," and to insert in lieu thereof "\$19,677,000."

Mr. DODD. Mr. President, I shall be brief, for the hour is late, and my colleagues have been very patient.

Mr. President, I join in commanding the Senate Appropriations Committee for its statesmanlike report on the foreign aid bill. The report of the committee would, if accepted, have the effect of restoring most of the cuts proposed by the House committee. I wholeheartedly support the recommendations of the committee and I hope that my colleagues will give these recommendations their unanimous endorsement.

There is, however, one minor but very important amendment which I should like to offer. It involves the expenditure of \$3 million for Algerian refugees.

The administration had submitted requests for its various refugee programs totaling \$21,977,000. The House had slashed this amount to \$14,477,000, without pausing to consider the truly crippling effect that this massive cutback would have had on vital aspects of our refugee program.

The Senate Appropriations Committee has recommended restoration of \$2.3 million, which would take care of all of the refugee programs proposed by the administration, with the exception of the Algerian refugee program.

I propose that H.R. 13175 be amended in the following manner: On page 16, line 7, strike out "\$16,677,000" and insert in lieu thereof "\$19,677,000." This would have the effect of restoring \$3 million of the \$5.3 million which the administration requested for assistance to Algerian refugees and displaced Algerians. Actually, the need for this program is so great I would have preferred to see the entire \$5.3 million restored. But I realize that we cannot do everything and that we have to economize at certain points; and it is for this reason that I am proposing an amendment which represents a reduction of \$2.3 million from the figure originally requested.

I should like to state the justification for this amendment very briefly.

I cannot stress too much the tremendous importance of Algeria to the entire Near East and to our own national security.

The untiring operations of the world Communist apparatus in Algeria and Morocco are aimed at far more than the subjugation of these countries to the hammer and sickle.

They are aimed—let us have no illusions on this score—at the control of the Straits of Gibraltar and the Mediterranean Sea.

Even if we were not moved by humanitarian considerations to participate in the work of relief and resettlement in Algeria, and in this way to demonstrate our friendship to the Algerian people, I believe that enlightened self-interest demands our participation in this program.

Over 200,000 Algerian refugees whom the United States has helped to support over the past 3 years in Tunisia and Morocco have been repatriated to Algeria. Many of them have found their former villages eradicated. More than 2 million of their fellow citizens, displaced from their war-torn villages and farms, face the same desperate situation. In fact, nearly one-half of the population of the country is undernourished and unemployed. Most of them are in critical need of medical care.

The new government is struggling to assume control of a complex and confused situation. There is a serious danger of widespread famine over the coming months. There is reason to fear riots and demonstrations for food and work and housing. This alone would jeopardize the possibility of fostering a stable and responsible government. It would discourage the return of French nationals who are vitally needed for the reconstruction of the country. It would play directly into the hands of the Soviets in their efforts to spread chaos and disorganization so that they can establish a strong foothold in North Africa.

Some of my colleagues have asked why the United States should assume responsibility for these refugees, arguing that they should be the responsibility of the French Government. To a degree their point has merit. But it must be borne in mind that today France is coping with the problem of taking care of the half-million French citizens who have streamed into France from Algeria, a problem of far greater proportion than we face with our Cuban refugees.

France also plans to extend reconstruction and economic aid to a cooperative Algerian Government in the amount of \$200 to \$300 million per year.

I want to emphasize that the administration's proposal did not ask us to assume complete responsibility for emergency relief to Algerian refugees. The appropriation it proposed represented only one-third of a total estimated cash need of \$16 million over and above food and contributions in kind. The appropriation of \$3 million proposed by my amendment represents less than 20 percent of the overall program. The balance will be provided by other govern-

ments and from private sources, in response to appeals directly made by the League of Red Cross Societies and the U.N. High Commissioner for Refugees.

If there is any doubt about the political importance of this refugee assistance program in Algeria, we should consider the fact that the U.S.S.R. and Red China have donated 29,400 tons of wheat. The total value of the initial Soviet and bloc countries contributions exceeds \$4 million at the moment.

The peoples of the Communist bloc are hungry or starving. But Khrushchev and Mao Tse-tung consider Algeria to be important enough to be willing to impose further deprivation on their own peoples. I believe we should weigh this fact carefully in considering the administration's request.

The Communist bloc already enjoys considerable prestige in Algeria, thanks to the fact that it provided the Algerian liberation movement with arms and equipment. I share the concern of my colleagues over this fact. But unless we are prepared at this juncture to write off Algeria and north Africa to the Communist bloc, it is imperative that we do everything in our power to extend the influence of the free world within Algeria and to frustrate the designs of the Kremlin.

It is imperative, among other things, that there be a friendly American presence in Algeria and that we actively concern ourselves with the work of relief and rehabilitation which will be the prime task confronting the Algerian people over the coming period.

We cannot leave the task of relief and rehabilitation for Algerian refugees entirely to France and the United Nations and the Communist bloc. Our own humanitarian traditions, our position of world leadership, our vital stake in the Near East, and our continued friendship with the Arab peoples all demand that the United States assume a share of the burden.

I can think of no more effective way of communicating our friendship to the people of Algeria than by approving the very modest appropriation of \$3 million for Algeria refugees, which would be dispensed on the spot by representatives of the American Government and of the American voluntary agencies, in cooperation with Algerian relief workers.

The dedicated representatives of the American voluntary agencies working in the refugee field have been among our most effective ambassadors of good will. The program that would be made possible by my amendment would be doubly effective precisely because it would not be a handout from government to government, but would be operated on a people-to-people basis.

Mr. President, I propose this amendment on two grounds: first, in our own self-interest, which perhaps is the least of the reasons for engaging in a program of this sort; second, on the ground that it is a decent, humane thing to do, in view of the fact that millions of Algerians have been displaced or are in want; and unless we help them, many innocent people will unquestionably suffer.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. HUMPHREY. The Senator's amendment would add \$3 million to the amount the committee had approved. Is that correct?

Mr. DODD. It would.

Mr. HUMPHREY. As the Senator knows, there was some discussion on this subject in the committee. There was no vote on the amendment because it was withdrawn.

I wonder if the Senator would find it possible to reduce the amount. Even though I know the administration request in this area was for \$5 million, it seems to me that if the Senator could get the amount down to \$2 million, he might be able to convince a majority of the Senate to accept this responsible and reasonable proposal.

Mr. DODD. Mr. President, I have great respect for the assistant majority leader. I know how persuasive he is. I fear his opposition very much. I saw him destroy us twice today with his eloquence. I would not, therefore, defy his suggestion. If he suggests \$2 million, I shall be happy to settle for that.

Mr. HUMPHREY. Mr. President, there may be a Senator who wants to speak against the amendment, but I hope the Senate will accept the amendment. The Senator from Connecticut has reduced the amount to \$2 million.

The PRESIDING OFFICER. Does the Senator from Connecticut modify his amendment to provide for \$2 million?

Mr. DODD. I am happy to do so. I am hopeful that with the support of the assistant majority leader we will obtain at least \$2 million to get this vital program underway.

Mr. HUMPHREY. The Senator flatters me.

Mr. DODD. I hope it will turn out to be more than flattery.

Mr. ELLENDER. Mr. President, I wish to say that the committee gave consideration to the Algerian refugee situation and decided not to include any money for that purpose, and I think rightly so. We are assisting many refugees throughout the world. It will be recalled that we started with the Palestinian refugees many years ago. Even today we are providing 70 percent of the amount needed to take care of the Palestine refugees through the United Nations.

Today we are being asked to aid the refugees in Algeria. We are being asked to do this because Russia has sent two shiploads of wheat to that area; therefore, it is argued, we should match them.

I think we have already done more than our share in regard to refugee support. I hope the Senate will sustain the committee action.

Mr. HART. Mr. President, I wish to speak in support of the amendment offered, and later modified, by the Senator from Connecticut. As chairman of the Subcommittee on Refugees and Escapees of the Senate Committee on the Judiciary, I think the action of voluntary agencies in Algeria already suggests that great good has been done and strongly

recommends that this Nation espouse the cause and participate in that effort.

Mr. President, our news media remind us daily of the flow of refugees and escapees on every continent of the globe. Communist oppression, political upheaval, economic disorder, and military action inevitably produce their toll of uprooted and homeless people. Sometimes this toll comes in a steady trickle of people. At other times it comes in flood proportions as it did in Hong Kong earlier this year, or Berlin and the Congo last year, or most dramatically, in East Central Europe during the Hungarian revolution in 1956.

To demonstrate our sincere belief in the principles of democracy, to show our concern for the oppressed and homeless, and to help ease tensions in areas of critical importance to the attainment and preservation of world peace, the American people have traditionally supported the Government and voluntary agencies in their work among the refugees of the world. And this is as it should be, Mr. President. We should share our benefits of freedom.

I note with particular pleasure that the Committee on Appropriations saw fit to recommend the full budget estimate of the Cuban refugee program, an increase of \$15,110,000 over the House allowance.

The House allowance for general migration and refugee assistance was also increased by \$2,300,000. And I commend my colleagues on the Committee on Appropriations for taking this course of action.

But I am mystified, Mr. President, as to why the budget estimate to assist those refugees uprooted by the Algerian conflict has been disallowed specifically by the House and the Committee on Appropriations. This number of homeless Algerians includes some 2 million persons displaced within the country itself, and over 200,000 refugees who have been voluntarily repatriated from Morocco and Tunisia. Although our Government and private relief agencies have been active among Algerian refugees since 1957, the major relief operation got underway in 1959 by the League of the Red Cross Societies and the United Nations High Commission for Refugees. American leadership and contribution in this international effort—and I would include here the very efficient and fruitful efforts of American voluntary agencies—have been instrumental in giving them a friendly presence in the Algerian complex, and in maintaining political and economic stability in the countries of asylum. I can say with certainty, Mr. President, that a good record has been established by the American people in the Algerian refugee situation. And I commend those in Government and the private sector for helping to make this record possible.

Now that Algeria is independent, however, the League of Red Cross Societies estimates that some \$16 million will be needed during the coming year to meet the needs of Algerian refugees. The Algerian Government has appealed di-

rectly to representatives of the United States for assistance in this situation, although France and other free world countries are expected to bear the major burden.

We would be remiss in not responding favorably to the appeal of our friends in Algeria. It would be contrary to our ideals and humanitarian traditions, Mr. President, for it would undo our friendly presence in Algeria. Failure to provide this help would enhance the political advantage of the Soviet bloc in a sensitive area of the world.

In testifying some days ago before the Committee on Appropriations, I supported the full budget estimate for refugee and migration assistance, authorized by Public Law 87-510, the Migration and Refugee Assistance Act of 1962, I strongly reiterate my support here today. It is essential that this country and the free world be in a position to deal effectively with the problems created by the flow of refugees and escapees. I urge my colleagues, therefore, to support the amendment offered by the distinguished Senator from Connecticut [Mr. Dodd] to restore partially the Algerian program to our immigration and refugee assistance. Stability in north Africa, Mr. President, and the security of freedom demand it.

Mr. DODD. I thank the Senator from Michigan.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. JAVITS. Mr. President—

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Minnesota? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I should like to ask the distinguished Senator from Connecticut—and I ask for the attention of the distinguished Senator from Louisiana—if it may be agreed that the Senate vote on the amendment offered by the Senator from Connecticut tomorrow at 10:15 a.m.?

The PRESIDING OFFICER. Is there objection?

Mr. KUCHEL. Mr. President, reserving the right to object, so that there will be no misunderstanding, has an order been entered for the Senate to meet at 10 a.m.?

#### ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, I was about to request, and I do request, unanimous consent that when the Senate completes its deliberations tonight it stand in adjournment until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate vote on the Dodd amendment tomorrow at 10:15 a.m.

The PRESIDING OFFICER. In there objection to the request by the Senator from Minnesota?

Mr. DODD. Mr. President, I am happy to accede.

Mr. KUCHEL. Mr. President, reserving the right to object—

The PRESIDING OFFICER. The Senator from California reserves the right to object.

Mr. KUCHEL. So that there will be no misunderstanding, does my able friend contemplate that there will be a morning hour, or that the 15 minutes will be divided between the proponents of the amendment and those opposing it?

Mr. HUMPHREY. It is contemplated that the 15 minutes between 10 a.m. and 10:15 a.m. will be divided between the proponents and the opponents of the amendment offered by the Senator from Connecticut.

Mr. KEATING. Exclusive of the prayer.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Minnesota? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

#### UNANIMOUS-CONSENT AGREEMENT

*Ordered*, That the Senate vote at 10:15 a.m., Tuesday, October 2, 1962, on the pending amendment by the Senator from Connecticut, Mr. Dodd, on refugees, to the bill (H.R. 13175) making appropriations for foreign aid, with the debate before that time to be equally divided and controlled by the Senator from Connecticut, Mr. Dodd, and the Senator from Louisiana, Mr. ELLENDER.

#### COMMITTEE MEETING DURING SENATE SESSION TOMORROW

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the Committee on Post Office and Civil Service be permitted to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Is there objection to the request by the Senator from South Carolina? The Chair hears none, and it is so ordered.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The amendment which will be pending following action on the Dodd amendment will be the Johnston amendment.

Mr. HICKENLOOPER. Mr. President, what is the parliamentary situation? A moment ago the Senator from Florida had the floor. All kinds of things have happened since.

The PRESIDING OFFICER. Yes. The Senator from Florida yielded the floor when he left the Chamber. At that time the floor was open, so that any Senator could obtain recognition. Several Senators have done so.

Mr. HICKENLOOPER. I am very glad to have that point cleared up. I was watching the Senator from Florida when he left the Chamber. When he yielded the floor he did it by sign language. I merely wished to clear up that point.

Mr. HUMPHREY. There is no doubt that the Senator has left the floor. In other words, he "flew the precinct."

Mr. HICKENLOOPER. He "flew the floor."

Mr. HUMPHREY. Mr. President—  
The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. The parliamentary situation is that the Senate will meet tomorrow morning at 10 o'clock. The Senate will vote at 10:15 a.m. on the Dodd amendment. Afterward, the pending question will be on agreeing to the Johnston amendment. Is that correct?

The PRESIDING OFFICER. The Senator from Minnesota is correct.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. If some Senator should ask that the Journal be read, would that complicate matters?

Mr. HUMPHREY. If some Senator should do that, I do not know what we would do. I suggest that it not be done.

Mr. DODD obtained the floor.

Mr. JAVITS. Mr. President, will the Senator from Connecticut yield to me?

Mr. DODD. I am happy to yield.

Mr. JAVITS. I understand that the purpose of this very modest appropriation is to provide assistance to Arab refugees in Algeria who are having very grave problems in getting to their native villages because of the dreadful breakdown in Algeria.

Mr. DODD. That is exactly correct.

Mr. JAVITS. This proposal would not necessarily commit us to a longtime refugee program. We could look it over to decide if we did or did not wish to do it. It is only a temporary measure in which we would participate, as the Senator has advocated, because of our well-known feelings about the refugees, the unhappy and unfortunate people who are in a country shattered by a terrible civil war, a country now trying to put itself together again. Is that correct?

Mr. DODD. The Senator has stated the situation better than I could have done. That is exactly correct.

Mr. JAVITS. I have stated it in that way, because it is very important, in view of the objections made, to indicate that this is not some new refugee program.

Mr. DODD. Not at all.

Mr. JAVITS. It is to be a heartfelt act on the part of our Nation in regard to a shattered country in which people really need a helping hand.

Mr. DODD. That is our intention.

Mr. JAVITS. It will not do the whole job, but it will help.

Mr. DODD. That is correct. The Senator has stated it as well as he did in the first instance.

Mr. JAVITS. I thank my colleague from Connecticut. I hope to be with him tomorrow.

Mr. DODD. I appreciate my colleague's encouragement and support.

Mr. HART. Mr. President, will the Senator yield?

Mr. DODD. I am happy to yield to my dear friend from Michigan.

Mr. HART. In addition to the several points which have been made, and particularly the point made by the Senator from New York, I think a practical, hardheaded reason for substantial assistance in this area at the present time is the great necessity that persons who fled from that country to Metropolitan France be attracted back. Unless we can establish a relatively stable society, or participate in that endeavor, fewer and fewer will return. Unless these people do return, the course of history shows that the situation will be very rough.

Mr. JAVITS. Mr. President, if the Senator will yield to me, nobody knows better than I the problem in North Africa. The problem faced by the Arab world is not a monolithic one. There are various elements in it, like the Tunisian, Algerian and Moroccan elements. It is very important that we maintain our relationship as the great power which has a heart for the people, notwithstanding that perhaps in other places in the Near East we cannot take an attitude entirely suitable to the Arab World.

That is the reason why I wish to re-express our position, so that we will all understand what we are doing. We are not going into some new, big, broad-scale refugee program.

Mr. DODD. I am happy that the Senator from New York has said that, because it is exactly the case.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. DODD. I yield. I wish to say to the Senator from Minnesota, the assistant majority leader, that without his encouragement I would not have offered the amendment. Because he is such a great humanitarian, I was encouraged to offer it.

Mr. HUMPHREY. I thank the Senator from Connecticut. I say to the Senator that, in the few moments we shall have tomorrow, I hope the Senator will again state for the record and for all in attendance—because the Senate will vote at 10:15 a.m.—the very direct and simple and yet telling points which have been discussed tonight, because this is an important amendment. I should like to have the record clear. The proposal was not voted down in the committee. It was discussed in the committee, but the amendment was withdrawn because we did not have all the information we needed at that time in the committee.

Subsequently, I talked with the Senator from Connecticut as well as to representatives of the Department of State.

It seems to me it would be most un-

wise for our Government to reject this opportunity to lend a helping hand in an area of the world so crucial today, where the decision may have a great deal to do with the future of Algeria.

Mr. MORSE. Mr. President, will the Senator from Connecticut yield to me?

Mr. DODD. I wish to say for the record that one of the reasons why I am so devoted to our assistant majority leader—and perhaps the greatest reason—is his depth of feeling for unfortunate human beings. He has demonstrated it many times.

He "gets after me" because of my views about this or that—the Congo or Cuba or something else—but I believe he and I have an affinity on basic questions and I think we share it with the senior Senator from Oregon. I thank the Senator again.

Mr. HUMPHREY. Mr. President, I consider it an honor to hear those words. I assure the Senator that, while on occasion our views may differ as to an item here or there, our basic philosophy is not different. I cherish the friendship of the Senator from Connecticut.

Mr. DODD. I am hopeful that the Senator is swinging around to my view, and I am happy about that.

Mr. HUMPHREY. The Senator is exceedingly persuasive.

Mr. DODD. Mr. President, I yield to my friend from Oregon.

Mr. MORSE. Mr. President, I wish to say to the Senator from Connecticut that, although the hour is now 9:30 p.m., I am very pleased to have some indication at this late hour that there might be something in connection with the bill for which I can vote. I hope I shall be able to vote for the Senator's amendment.

I am sure that I am not going to be able to vote for the bill, because there has been a complete failure on the floor of the Senate today to protect what I consider to be the taxpayers' interest and to bring to an end the very shocking giveaway program, which, with all the hundreds and hundreds of millions of dollars and waste in it, in my judgment has proved to be a great disservice to the American people.

I have tried for several years to change the tenor of the foreign aid bill from a bill that would change the ratio of grants to loans to one of loans to grants. We are still confronted with a foreign aid bill under which 65 cents out of every American taxpayer dollar goes into a complete giveaway. What we ought to have is a program under which at least 75 cents out of every tax dollar constitutes a loan, and not more than 25 cents as giveaway. I am dumfounded that we have not made more progress in recent years in regard to that subject when we discover that because of our largesse, year by year our allies are placing themselves in a much better financial condition than the United States, but expecting us to pay through the economic nose while they fill and line their pockets.

We must take into account the fact, as the Senate has heard me say before, that we have a national debt now totaling more than \$300 billion, while the

combined national debt of all of our allies and all the free nations of the world is only \$209 billion.

We are confronted here today with many speeches and pleas to shake down the American taxpayers to the extent of many millions of dollars more in the name of foreign aid, on the basis of the fallacious and highly phony argument that to do so will strengthen our security. What we are doing by the bill is weakening the greatest defense weapon of the United States—our own economy.

Earlier this afternoon I tried to warn the Senate that there is growing in this country an understanding of this issue on the part of the people at the precinct levels of America. They will speak out and strike down politicians who are not protecting the greatest defense weapon they have, namely, their economy—and they should. In my judgment, for the security of our country, the sooner they do so the better. I cannot vote for the bill in its present form, and I do not intend to do so. I yield to no one in my 18 years of service in the Senate in fighting for the development of a sound foreign aid program. We saved Europe through the Marshall plan. Had we not passed that program, Europe would have been a Communist area today. I not only voted for the plan, but also I fought for it. Of course, we saved Europe with NATO. I was one of the floor leaders in the Senate, assigned by the great Arthur Vandenberg to help put the NATO treaty through the Senate. I handled article 5 of the treaty. Of course, we saved Turkey and Greece. We saved many other parts of the world. But the memory of our allies is short lived. The sad fact is that we are not getting the economic or manpower assistance from our allies that we deserve for the protection of freedom around the world.

Where is the manpower of our allies in southeast Asia? The Senator from Louisiana [Mr. ELLENDER] pointed out today that it is merely token. That does not make our effort a united effort to protect freedom in southeast Asia. Consider the attitude of our allies toward Latin America.

I speak as the chairman of the Subcommittee on Latin-American Affairs on this subject. Our allies are making a sorry record in regard to the protection and the strengthening of freedom in Latin America. Yet today we consider an amendment that at least would seek to make perfectly clear to our allies that we do not intend to give aid to them, and have them in turn in various ways get it back into Cuba. Where are they when we ask them to stand up and be counted on the question of whether or not they will join with us in preventing a Russian buildup in Cuba?

I happen to be one who believes that we do not have a NATO ally that can justify shipping a single pound of materiel into Cuba, and then expecting us under the bill to give them further giveaway handouts under foreign aid.

In regard to military aid, I said this afternoon, and repeat tonight, that we should take the economy way from the Pentagon Building and return it to the American people, for we are living under

a defense economy and not a free economy.

We are greatly weakening our economy. The Senator knows that I am not at all stopped in my battle against the bill in the light of all the flag waving that we must do it in order to preserve the United States. It is about time that some of the other free nations of the world started to demonstrate by way of some economic sacrifices on their part that they are willing to stand with us in the cause of freedom.

The Senator from Connecticut has raised a great human issue. He has proposed an amendment which in my opinion raises again the question as to whether we recognize that the only values, after all, that count are human values. I wish to see my great country keep faith with its ideals in supporting human values. If we could undertake more of that type of program in connection with our foreign aid program, I would be more inclined to give a little more away. But the time has come when I think we must have an accounting from the nations that we have built up. Although I am one who wishes to support good foreign aid, I shall not support foreign aid bills until we change the ratio between grants to loans into one of a larger proportion of loans to grants and until we get some commitments from our allies that they will be of assistance to us in the great struggle of preserving freedom, not only in southeast Asia but also in the Western Hemisphere.

Mr. DODD. Mr. President, I am deeply grateful to the Senator from Oregon for what he has said. I voice the opinion of all my colleagues, I believe, when I say that whenever he speaks, his words are worthy of our attention. He always moves me by his eloquence, and particularly by the logic of his argument. The Senator from Oregon is one of the most logical Members of this body. I am an admirer of the Senator from Oregon. He has a great mind. He has great eloquence. He has a great heart, and to have him speak in support of the amendment means a great deal to me.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. MORSE. The Senator does not know it, but as soon as we adjourn I suggest that he be on his way to Oregon to make that speech up and down my State. I thank the Senator very much.

Mr. DODD. I have told the Senator from Oregon in personal conversation, as he well knows, that not only will I travel to Oregon, but I will walk to Oregon in order to speak for him, because I believe he is one of the great Senators of the United States.

I can think of few greater tragedies than to miss him here next January. He is a great Senator, a true statesman, and an outstanding American. I wish to say publicly what I have said to him privately, that indeed I would walk to Oregon, and all through Oregon, and I hope some people will listen to me as I say "Reelect WAYNE MORSE."

Mr. MORSE. I thank the Senator.

Mr. McCARTHY. Mr. President—

Mr. DODD. I recognize another adversary, the distinguished junior Senator from Minnesota, who is frequently against me on my thoughtful amendments and proposals, but with whom I served in the House, and for whom I have great affection. I am encouraged to believe that he is moving to my side on certain issues.

Mr. McCARTHY. At least with reference to the remarks he made about the Senator from Oregon, we are in complete agreement.

Mr. DODD. I can say the same thing about both Senators from Minnesota.

Mr. HUMPHREY. I join in that statement, too.

Mr. DODD. I do not believe I have as much difficulty with my adversaries as they have with me. They are wonderful men. I believe my task is simply to change them and not oppose them. From time to time I feel that I am succeeding in this, and I am encouraged by the changes that I have seen take place here. We are making progress. We are going to make great changes in the Senate next year and in years to come.

Mr. McCARTHY. In this particular instance, I agree not only with the remarks he made about the Senator from Oregon, and not only with his logic, but also with his premises. This brings us close to complete agreement. I hope the Senator from Connecticut goes to Oregon and speaks for the Senator from Oregon in his campaign for reelection. I have already been there. I have not walked over the entire State, but I did turn down an invitation to shoot the rapids with the Senator from Oregon. If he had asked me to walk, I would have accepted. Anyway I hope in this instance the wishes and desires of the Senator from Connecticut, which are identical with mine, will be fulfilled.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. MORSE. The speech and the comments of the Senator from Minnesota have stimulated me to also serve notice, but before I serve notice I thank the Senator from Minnesota very much for his kind remarks. The Senator from Minnesota was a great help to me in the State of Oregon. I appreciate it very much. He has thousands of friends in my State, who know of his statesmanship. I am sure that they will not forget the fine speeches he made in my State. I wish to say to my friend from Connecticut that I will sit down with him tomorrow, with a calendar, and we are going to schedule speeches for him shortly after we adjourn.

Mr. DODD. My time is at the Senator's disposal.

Mr. MORSE. I will place the appropriate notice in the RECORD, but I now serve notice that I shall also seek to attach to the same bill that the Senator from Minnesota [Mr. McCARTHY] has just commented upon another very important amendment, which would require the suspension of the rule. In view of the fact that we can give away hundreds and hundreds of millions of dollars

in the foreign aid bill to a great many people far removed from our shores, I propose to have the Senate vote, before we adjourn—and I give this notice, in order to have the rules suspended—to provide justice to the World War I veterans of this country.

As I have been heard to say year after year, I believe that the World War I veterans of this country are entitled to a long overdue pension. The Morse World War I veterans bill has been offered each year. I am sure no one thought Congress would adjourn without his having to stand up and be counted on it once more. The vehicle which the Senator from Minnesota just announced is a very good vehicle to which to attach that amendment.

Therefore I serve notice, and will put it in the RECORD in correct form, that I shall offer the World War I veterans pension bill to the same bill.

Mr. DODD. Mr. President, I close on this note. We are praising each other, it is true, but, after all, we are all of one political creed here, with some differences. I shall not take more than a minute to say this, but I wish to call to the attention of the Senator from Oregon and both Senators from Minnesota and the Senator from Colorado, my dear friend Mr. CARROLL, that I am a Democrat, and I never forget this. I respect my party. I believe my party is essentially right. It has been historically right in so many important respects.

I believe that our strength is that we have a WAYNE MORSE, a HUBERT HUMPHREY, a GENE McCARTHY, a JOHN CARROLL, a WILLIAM PROXMIRE—and I can go down the line. We are not all of one mind on every issue. But we are of one mind on the basic issues. Our strength lies in our ability to disagree and dispute and debate.

That is why I am able to stand on the floor of the Senate and say to my dear friend from Oregon that I will go to Oregon, because I believe he is a great Democrat, in the big sense, and a great humanitarian. I believe that the other Senators, of whom I have spoken, like the great assistant majority leader from Minnesota, believe, too, that this is where our strength lies. We are not regimented. We do not follow the same petty doctrinaire line.

We believe in the strength of diversity, the differences of people of strong convictions. That is why we are winning elections in this country. That is why we will win this election.

Mr. CARROLL. Will the Senator climb Pike's Peak?

Mr. DODD. Yes; if it will help to get the Senator elected.

To return to my amendment, I express my appreciation to all those who have encouraged me tonight on the amendment for the relief of the Algerian refugees. I know that deep down this is the decent thing for us to do. It does not cost us very much, considering what we are doing all over the world. Tomorrow morning I hope my friends will be here, and will help us to put this small but decent and vitally important program into operation.

**ORDER FOR RECESS UNTIL 10 A.M.  
TOMORROW**

MR. HUMPHREY. Mr. President, I move that when the Senate completes its business today, instead of adjourning, it take a recess until 10 o'clock tomorrow morning.

THE PRESIDING OFFICER. Without objection, it is so ordered.

**DONALD CROCKETT RETURNS TO VALLEY**

MR. MORSE. Mr. President, Mrs. Donald Crockett, of Coquille, Oreg., has kindly brought to my attention an editorial which appeared in the September 20 issue of the Coquille Valley Sentinel, entitled "Donald Crockett Returns to Valley, to Place Where He Once Hoed Weeds."

I ask unanimous consent that the editorial to which I have alluded be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

**DONALD CROCKETT RETURNS TO VALLEY, TO PLACE WHERE HE ONCE HOED WEEDS**

When the Army Engineers let bids for the improvement of the dike on the Donald Crockett ranch (the old Powrie place on Highway 42), it will be the first time they have ever helped on the Coquille diking system.

A soft-spoken man who moved back to the Coquille Valley less than 2 years ago, Crockett gives most of the credit in getting Federal help to his wife and to Senator WAYNE MORSE.

"I have been a Republican all of my life, but I want to give credit where credit is due, and that is to Senator MORSE," and then he adds slyly, "and to my wife who wrote all the letters."

It was Senator MORSE who carried the ball in Washington, all right, as the sheaf of letters which Mrs. Crockett displayed proved.

The Crocketts believe, as do others close to the diking problem, that this may be a breakthrough as far as Government assistance in flood control is concerned.

The Engineers have already surveyed the property, which is just south of the house and across the Southern Pacific tracks, and bids are to be let late this month.

The dike to contain the sometimes ram-paging Coquille River will be 300 feet long, and will be across a point where the river once ran along the tracks.

Last year, Crockett, at an expense of more than \$2,000 to himself, tried to hold the river in its channel at this point, but it went out in the November freshet and threatened the Georgia-Pacific log pond and the railroad tracks.

Federal assistance has long been sought for help in flood control, so vital if the valley is to take its proper place in agricultural economy of this region.

Most farmers and ranchers agree that this is one of the most fertile valleys in the Nation if the river could only be kept in its banks in the winter time so that the soil could be fully utilized.

Crockett is not a newcomer to the Coquille valley; he once weeded carrots on the ranch which he now owns. This was nearly a half century ago.

"I bought this place so I wouldn't have to weed any more carrots," Crockett says, smiling, proud of this place which is considered one of the finest ranches in the county.

Crockett says he decided to move back to this area from Brookings after property taxes

got too high for ranching there. "They ran me out with taxes," he declares, and he means it.

After he sold, he had a chance to talk with Jack Caughell who lives near Broadbent, and Jack suggested that possibly Bob Powrie might sell his place, long a showplace along the highway. The Powries at one time had kept of stable of race horses there, and the white wood fences have long been a landmark.

Powrie said he would sell, and they made an oral agreement, Crockett speaks freely of the purchase price they decided on that day. "Powrie was a man of his word, and we bought the property," Crockett recalls. This was about a year and half ago.

Now, Crockett has expanded his holdings, having purchased property from Ernest Bircher, Dale Richards and Mrs. Estall McSly. He now owns about 500 acres of hill and bottom land, and he runs both beef and dairy cattle there. He sells to the Safeway cheese plant at Myrtle Point.

Asked why he went back into the cattle business after selling his extensive holdings near Brookings, Crockett said without a pause,

"And what would I do if I didn't farm? Spend my life in Palm Springs? That's not for me; I love ranch life, and I like to think I know a little about it. This country would be in pretty sad shape if the experienced ranchers and farmers all decided to sell out."

He speaks proudly of the fact that his two sons are in the ranching business, and his son-in-law, too. His youngest boy Vernon, recently purchased the Stanley Claussen ranch from Roy Franssen.

As far as Crockett is concerned, the Coquille Valley is a pleasant place in which to live. Both he and his wife like it better here than at Brookings. "Less fog," they say, in unison.

A diligent man, Crockett says he learned how to work when he was a boy. "I wonder if youngsters now are learning what it means to work; sometimes I am not sure when I get a high school book or two around here. I used to walk from Coquille to this place to hoe weeds in the carrot patch for 10 cents an hour. Now the boys expect me to haul them back and forth when I need somebody to help with the haying. I tell them they can get here on foot, if they can't find any other way."

But he is a kindly man and his opinions follow the tradition of the soil; hard work and proper frugality will keep most everybody out of trouble. This, he infers, goes for adults as well as kids.

Getting back to the dike, from which we purposely had led him away to find out what kind of a neighbor we have, Crockett said, "Now I want you to be sure to give Senator MORSE credit for the work he did on this. I'm a Republican, but I believe in giving credit where credit is due"; and so do we.

We hope this is a breakthrough toward flood control in this valley. And while we are at it, we welcome the Crocketts back home.

**ECONOMIC INTEGRATION AND POLITICAL REINTEGRATION IN LATIN AMERICA**

MR. MORSE. Mr. President, I have read with great profit and resulting increased knowledge of some of our Latin America problems in a speech which was delivered by Mr. Felipe Herrera, president of the Inter-American Development Bank for the Conference on Tensions of Development in the Western Hemisphere sponsored by the Council on World Tension in cooperation with the University

of Bahia, at Salvador, Bahia, Brazil, on August 6, 1962.

I highly commend a reading of this speech to the Members of the Senate, particularly to members of the Foreign Relations Committee.

I ask unanimous consent that the text of the speech be printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

**LATIN AMERICA: ECONOMIC INTEGRATION AND POLITICAL REINTEGRATION**

(Statement prepared by Felipe Herrera, president of the Inter-American Development Bank for the Conference on "Tensions of Development in the Western Hemisphere" (Salvador, Bahia, Brazil, August 6, 1962) sponsored by the Council on World Tensions in cooperation with the University of Bahia.)

"We must unify our fatherlands internally through an education that will be transmuted into awareness of nationality and through a distribution of well-being that will bring us all into perfect balance; and we must unify our countries under a predetermined, somewhat Pythagorean scheme, in which those 20 spheres can move harmoniously, each in its own orbit, in freedom and in beauty. We are driven by an ambition that is as yet obscure and confused, but which has coursed through our veins from the platonic archetypes down to the fevered and suffering visage of Bolivar whose utopia we seek to transform into vivid reality."—Gabriela Mistral.

**INDEPENDENCE AND INTERDEPENDENCE**

I believe that to study the motives and meaning of world tensions is to analyze and interpret history. Just as a body in motion is a body in search of rest through an eventual accommodation of mutually opposing forces, so a historical process is essentially the interplay of all types of social forces seeking a position of relative stability within a specific framework of tensions which, by their own momentum, are generating the dynamic elements of a subsequent change.

Perhaps for this very reason each dawn has been the beginning of a new historic age; but in our times the existence of a vast and far-flung transformation is so evident that for the first time in history it would appear that social developments have the same power of acceleration as scientific advances or technological change.

On the one hand, as a result of various factors, particularly the universal progress made in the field of communications, mankind no longer accepts poverty as an inevitable part of the life process. He believes it can be overcome and he devotes his efforts to this end, although he may at times fail to choose the proper method or channel.

This human changeabout from fatalism to hope, from despair to action, has unleashed a force whose consequences lie beyond our powers of calculation. On the other hand, with the gradual disappearance of the imperialistic system, we are witnessing the end of a system which for more than four centuries welded together the world opened by Spanish and Portuguese navigators to trade and conquest by a Europe that was more powerful and technologically more advanced. Independent nations emerge or reemerge from this world to join the international community. Five in 1961, 17 in 1960 and so on to a total of 104 member countries of the United Nations, which was established with 49. Together with its vivid flag, each of these nations brings to the world its decision for self-government and continuing independence, and its demand for a share of well-being.





OCT. 2-1962

11. LOANS. Passed without amendment H. R. 12653, to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase from \$150 million to \$200 million annually the amount of loans which may be insured under the Act. This bill will now be sent to the President. pp. 20491-2  
Passed without amendment H. R. 946, to extend to oyster planters the benefits of the provisions of present law which provide for production disaster loans for farmers and stockmen. This bill will now be sent to the President. p. 20491
12. SCHOOL LUNCH. Both Houses received and the Senate agreed to the conference report on H. R. 11665, to amend the National School Lunch Act so as to revise the formula for apportioning cash assistance funds to States to base it on the number of lunches served in the preceding year and a slightly modified assistance need factor (instead of on the number of children aged 5 to 17 and the assistance need factor) and provide for a three-year transition to the new formula (25 percent of the funds being apportioned on the new formula the first year, 50 percent the second year, and 75 percent on the new formula the third year) (H. Rept. 2512). pp. 20535, 20595-6, 20571, 20650
13. FOREIGN AID APPROPRIATION BILL, 1963. By a vote of 57 to 24, passed with amendments this bill, H. R. 13175. Conferees were appointed. pp. 20446-68, 20494-5, 20500-03, 20510-3
14. WORLD FOOD CONGRESS. The Foreign Relations Committee reported with amendment S. 3679, to authorize appropriations to enable the U. S. to extend an invitation to the Food and Agricultural Organization of the U. N. to hold a World Food Congress in the U. S. in 1963 (S. Rept. 2263). p. 20514
15. MINERALS. Passed as reported S. 1696, to authorize the Secretary of the Interior to conduct a survey of federally-owned lands for the purpose of locating strategic minerals. pp. 20475-6
16. TOBACCO. Passed without amendment H. R. 12855, to amend the Agricultural Adjustment Act of 1938 providing for the lease and transfer of tobacco acreage allotments so as to exclude cigar-filler and cigar-binder tobacco, types 42, 43, 44, 53, 54, and 55 from the lease and transfer authority. This bill will now be sent to the President. p. 20492
17. ELECTRIFICATION. Passed as reported H. R. 10708, to amend the Rural Electrification Act of 1936 so as to authorize REA to finance communication facilities for the transmission of sounds, signals, pictures, writing, or signs as well as voice. p. 20492
18. EDUCATION. Passed as reported S. 3477, to provide a program to assist the States in further developing their programs of general university extension education to be operated by the State universities and land-grant colleges. pp. 20476-8
19. FORESTRY. Passed as reported S. 3370, to authorize the Secretary of Agriculture to relinquish to Wyo. jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District. p. 20492  
Sen. Yarborough inserted an article discussing the purpose and problems of the national parks, "National Parks - A National Issue." pp. 20492-3
20. BONDING. Received from Treasury a report on operations in connection with the bonding of Government officers and employees for fiscal year 1962. pp. 20513-4
21. COMMUNICATIONS. The Government Operations Committee reported without amendment H. R. 11899, to amend the Federal Property and Administrative Services Act so

- as to provide for a Federal telecommunications fund (S. Rept. 2262). p. 20514
22. WATER POLLUTION. Passed without amendment H. R. 10617, to give the U. S. district courts concurrent original jurisdiction of cases involving the pollution of interstate river systems where the pollution is an alleged violation of an interstate compact and the signatory States have consented to such jurisdiction in their compact. This bill will now be sent to the President. pp. 20479-80
23. PUBLIC LANDS. Passed without amendment H. Con. Res. 574, to authorize the compiling and printing of a U. S. map showing the extent of public surveys, national forests, national parks, reclamation projects, etc. p. 20487
24. APPROPRIATIONS. Sen. Smathers submitted notice of his intention to suspend the rules for the purpose of proposing an amendment to H. R. 13290, the supplemental appropriation bill, so as to include the provisions of a recently passed bill to provide for retirement plans for self-employed individuals. pp. 20515-21
25. PASSED OVER the following bills:  
S. 2225, to fix the fees payable to the Patent Office. p. 20473  
H. R. 8140, to strengthen the laws relating to conflict of interest. p. 20480
26. LIBRARY. Sen. Jordan inserted a report of the Library of Congress on its functions and programs. pp. 20523-31
27. TRADE FAIRS. Conferees were appointed on S. 3389, to promote the foreign trade of the U. S. through the use of mobile trade fairs. House conferees have not yet been appointed. p. 20535
28. MIGRATORY BIRDS. Concurred in the House amendment to S. 3504, to authorize the appropriation of \$7500 for expenses of the Migratory Bird Conservation Commission. This bill will now be sent to the President. p. 20540
29. TRANSPORTATION. Agreed to the conference report on S. 320, to amend the Interstate Commerce Act so as to permit State commissions to grant the right to motor common carriers operating within a single State to engage in interstate or foreign operations within the State. This bill will now be sent to the President. pp. 20546-7
30. PATENTS. Passed as reported S. 2639, to amend title 35, U.S.C., to permit a written declaration to be accepted in lieu of an oath from applicants for patents or trademarks. pp. 20566-7  
Passed as reported H. R. 12513, to provide for public notice of settlements in patent interferences. p. 20566
31. STATE-JUSTICE-COMMERCE APPROPRIATION BILL, 1963. This bill, H. R. 12580, was made the unfinished business of the Senate. p. 20567
32. WATERSHEDS. The "Daily Digest" states that the Public Works Committee "in executive session, approved the following watershed projects: Tobeoskee Creek Ga.; Cottonwood Creek, Okla.; Delaware Creek, Okla.; and Boulder Lake Watershed Wyo." p. D927
33. LEGISLATIVE PROGRAM. Sen. Mansfield announced that H. R. 8140, to strengthen the criminal laws relating to bribery, graft, and conflict of interest, will be considered on Wed., followed by the State, Justice, and Commerce appropriation bill; the conference report on the drug bill; and the conference report on the



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## Senate

(Legislative day of Monday, October 1, 1962)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, who—though all else fades—remainest the same, Thou dost leave us never, even when we leave Thee and walk with those who have not God in all their thoughts. Thy tender mercy is over all Thy works.

We come, at the beginning of yet another day, praying for strength for our burdens, wisdom for our perplexities, insight to discern the signs of our times, and faith sufficient even to remove mountains that loom frowningly before us.

We come with an ardent prayer in our hearts for our America. Confessing her failures, purged of her betrayals of democracy, may she be more and more an inspiring and emancipating power for security and stability in the cruel conflict between light and darkness now raging in its mad fury around this disordered world.

We ask it in the name of the Prince of Peace, Christ Jesus, our Lord. Amen

### THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, October 1, 1962, was dispensed with.

### COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. HUMPHREY, and by unanimous consent, the Committee on Public Works was authorized to meet during the session of the Senate today.

### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The VICE PRESIDENT. Under the order of yesterday, the Senate will now resume the consideration of House bill 13175, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The question is on agreeing to the amendment of the Senator from Connecticut [Mr. DODD]. The time between 10 a.m. and 10:15 a.m. is to be divided equally between the Senator from Connecticut and the Senator from Louisiana [Mr. ELLENDER].

Mr. DODD. Mr. President—

Mr. HUMPHREY. Mr. President, will the Senator from Connecticut yield briefly, so that we may clear the Executive Calendar?

Mr. DODD. I am very glad to yield for that purpose.

### EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

### EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. BEALL, from the Committee on Armed Services:

Capt. Mary J. Wettle, for appointment in the Regular Air Force, in the grade of captain, to perform the duties of a nurse.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

### AMBASSADORS

The Chief Clerk read the nomination of Llewellyn E. Thompson, of Colorado, a Foreign Service officer of the class of career ambassador, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

Thirty-five years ago I had the pleasure of attending the University of Colorado with him. He has been a close friend of mine ever since that time.

Llewellyn Thompson is a true career Ambassador, who has done all the work that anyone in such career work has done along the way. Particularly outstanding has been his service in the past few years as our Ambassador to the U.S.S.R.

This nomination is very well deserved; and I could not let this opportunity pass without paying my personal tribute to him for his great contributions to our country. All of us are proud of him for his outstanding achievements in the career services; and I pay my own personal tribute to him for the great work he has done.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Without objection, the nomination is confirmed.

The next nomination on the Executive Calendar will be stated.

The Chief Clerk read the nomination of W. Walton Butterworth, of Louisiana, a Foreign Service officer of the class of career ambassador, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

### ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

The Chief Clerk read the nomination of John M. Leddy, of Virginia, to be the representative of the United States of America to the Organization for Economic Cooperation and Development.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

### AGENCY FOR INTERNATIONAL DEVELOPMENT

The Chief Clerk read the nomination of Hollis B. Chenery, of California, to be Assistant Administrator for Program Review and Coordination, Agency for International Development.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Dr. Leona Baumgartner, of New York, to be Assistant Administrator for Human Resources and Social Development, Agency for International Development.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army, which had been placed on the Secretary's desk.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

#### LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. DODD. Mr. President, I wish briefly to recapitulate the arguments in support of my amendment to H.R. 13175, as amended by the Senate Appropriations Committee. This amendment, if it is approved, will have the effect of restoring \$2 million of the \$5.3 million which the administration requested for assistance to Algerian refugees and displaced Algerians.

First of all, I believe we should approve this amendment because it is the humane thing to do. Several hundred thousand Algerian refugees—refugees from the civil war that has devastated Algeria in recent years—are now returning to their country from Tunisia and Morocco. In many cases, their homes have been destroyed or their villages eradicated.

In addition, there are within Algeria some 2 million Algerians whom the war has made displaced persons within their own country, and whose plight is equally destitute.

Second, I believe that enlightened self-interest demands our participation in the work of rehabilitation and relief for Algerian refugees. The Communists are working hard to extend their influence in Algeria and Morocco, because control of these two countries would give them control of the Straits of Gibraltar and

the Mediterranean Sea. They do not stint in their efforts. The U.S.S.R. and Red China have, in fact, already donated 29,400 tons of wheat, and the total value of Communist contributions to Algeria at this moment is estimated to exceed \$4 million.

Third, I believe this undertaking commends itself to our support because it does not commit us to a continuing and apparently insoluble problem like the Palestine-Arab problem. These Algerian refugees are returning to their own country. The requirement is, not for a continuing hand-out to continue from year to year, but for a one-time, emergency grant to prevent starvation and to help them reestablish themselves on their own land.

Fourth, I believe this proposal commends itself to our support because it is at the same time both the cheapest and the most effective form of foreign aid. Grants from government to government, while essential, sometimes lend themselves to abuse, and the identity of the benefactor country is frequently forgotten or lost in the shuffle. Assistance rendered through international agencies suffers from the weakness that it lacks national identity. But the program which would be made possible by my amendment would be directed, on the spot, by representatives of the American Government and by the dedicated representatives of the American voluntary agencies working in the refugee field, who have been among our most effective ambassadors of goodwill. It would, in short, be a people-to-people program; and, precisely because of this, I can think of no more effective way of communicating our friendship to the people of Algeria.

Mr. President, the need of the Algerian refugees is great. The sum called for by my amendment is exceedingly modest compared with the scope of the project and compared with the vast sums which we appropriate for military assistance and other forms of foreign aid. The good that can be accomplished by this modest sum in poverty-stricken Algeria is enormous. Conversely, in the fluid and marginal political situation which exists today in Algeria, the penalty for showing ourselves completely indifferent to the needs of the Algerian refugees might exceed even the most pessimistic warnings.

Mr. President, I earnestly appeal to my colleagues to support this modest amendment.

Mr. ELLENDER. Mr. President, yesterday when this amendment was submitted, I objected to it because I felt the Senate committee had given the matter due consideration, and in deleting the amount budgeted for Algerian refugees it had concurred with the House.

I wish to point out that we, as a nation, have been at the forefront in assisting refugees throughout the world. Since World War II we have accepted over half a million refugees from Western Europe. Last year the President used a small amount out of the contingency fund to assist the refugees in Algiers. The only reason advanced for that was that the Russians had given a boatload of wheat, and therefore we should counter what the Russians did.

Mr. President, this bill provides \$70,-110,000 to take care of the Cuban refugees who arrive in our country daily.

I do not object to our aid to Cuban refugees, Mr. President, but the record will show that no one is sharing this burden with us as we have shared the burden in caring for the European refugees.

We have been very liberal in aiding the peoples of Western Europe with their refugee problem. Now we need assistance in regard to Cuba. But we knock on the door and there is no answer. We have to carry the whole load.

It strikes me that we ought to call a halt to this kind of thing. As I pointed out previously, if we permit expenditures for this reason it will mean that the Algerian refugees will have a foot in the door of our Treasury. We will be called upon from year to year to put up more and more money to take care of them.

As the Senator from Connecticut stated yesterday, the argument against this proposal is that the French ought to do it. I say the French ought to do it. They are well able to. We are now carrying a load that is very burdensome. We are making \$70,110,000 available for Cuban refugees and \$17,200,000 for Palestinian refugees. In addition, for refugees in Europe, Tibet, Hong Kong, and for the U.N. High Commissioner we are making available almost another \$17 million.

I contend that other prosperous countries could do more for refugees throughout the world, and they should do more.

I hope the amendment will not be adopted.

Mr. DODD. Mr. President, I wish to say to my distinguished friend the very able Senator from Louisiana, that I made the point yesterday, as the Senator accurately pointed out, that the only argument that could be made against this very modest proposal is that the French should do it. Perhaps I neglected to add that the French are doing a very great amount of work in the same way. They are heavily burdened. They are committed to spending a vast amount of money in that country.

All my proposal would do would be to permit us to send voluntary agencies—the best representatives our country could send. There is no commitment to do it next year. This is an acute situation.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. ELLENDER. Last year we provided \$7,488,000 for refugees exclusive of those in Palestine and Cuba.

Mr. DODD. Not for Algerians.

Mr. ELLENDER. Not all for them. This year we will furnish \$16,677,000, which is \$8,189,000 more. It grows from year to year.

Mr. DODD. I know it does. I do not know how we can change it, when the Communists are on the march. Many persons are fleeing Cuba. Are we going to close our doors to them and say, "You cannot go"?

Mr. ELLENDER. We cannot take care of the whole world. Why do they not help us with the Cuban refugees?

Mr. DODD. I am not suggesting that we take care of the whole world. This would do very little. It would provide help to the extent of \$2 million. We can do much, through private agencies, to help people whose homes have been destroyed and who are starving. This does not involve big government projects. It would provide food and roofs over the heads of the refugees. That is all we are being asked to do for the people. I hope we can do it.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there may be a quorum call, and that the quorum call be ended at the conclusion of 5 minutes. Since the time is to be divided, that request would have to be agreed to.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

The VICE PRESIDENT. The quorum call is automatically rescinded.

The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. Dodd]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Illinois [Mr. DOUGLAS] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Pennsylvania would vote "nay."

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTON], the Senator from Indiana [Mr. CAPEHART] the Senator from Kentucky [Mr. MORTON], the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTON], the

Senator from Indiana [Mr. CAPEHART], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 26, nays 52, as follows:

[No. 300 Leg.]

YEAS—26

Burdick	Kefauver	Neuberger
Case	Kuchel	Pastore
Dodd	Long, Mo.	Pell
Fong	Long, Hawaii	Randolph
Hart	McCarthy	Smith, Mass.
Hartke	Metcalf	Symington
Humphrey	Morse	Williams, N.J.
Javits	Moss	Yarborough
Keating	Muskie	

NAYS—52

Allott	Ervin	Mundt
Bartlett	Goldwater	Murphy
Beall	Gore	Pearson
Bible	Hayden	Proxmire
Boggs	Hickenlooper	Robertson
Bush	Holland	Russell
Butler	Hruska	Saltonstall
Byrd, Va.	Jackson	Smith, Maine
Byrd, W. Va.	Johnston	Sparkman
Cannon	Jordan, N.C.	Stennis
Carlson	Jordan, Idaho	Talmadge
Church	Kerr	Thurmond
Cooper	Lausche	Wiley
Cotton	Long, La.	Williams, Del.
Curtis	Mansfield	Young, N. Dak.
Dirksen	McGee	Young, Ohio
Ellender	McNamara	
Engle	Miller	

NOT VOTING—22

Aiken	Douglas	Monroney
Anderson	Eastland	Morton
Bennett	Fulbright	Prouty
Bottum	Gruening	Scott
Capehart	Hickey	Smathers
Carroll	Hill	Tower
Chavez	Magnuson	
Clark	McClellan	

So Mr. Dodd's amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the motion by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The Senate will resume consideration of the amendment of the Senator from South Carolina [Mr. JOHNSTON] designated No. "10-1-62—E."

Mr. JOHNSTON. Mr. President, I have discussed and explained my amendment previously, so I believe Senators and others realize fully that what is given away in the bill will increase our deficit that much more. It is also plain to everyone that we are increasing our deficit by giving away money that we do not have. However, I realize the Senate is in no present mood to save the taxpayer any money. Therefore, I withdraw my amendment.

The VICE PRESIDENT. The amendment of the Senator from South Carolina is withdrawn.

Mr. McCARTHY. Mr. President, I am prepared to call up an amendment which I sent to the desk yesterday. The amendment would have the effect of transferring \$20 million from the contingency fund and earmarking it for malaria eradication programs. I have discussed the question with my colleague [Mr. HUMPHREY] and other Senators who are handling the bill. They have persuaded me that such a transfer may not be necessary.

They have suggested that the report covers adequately the intention of Congress with reference to the present efforts toward the eradication of malaria. I understand that the committee itself considered the problem and has concluded that funds could be used for that purpose. If that is not the case, I shall ask that my amendment be considered.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HUMPHREY. I assure the Senator that the subject was brought up in the committee. There was discussion as to whether or not the development grant section of the bill, as well as the contingency fund of the President, would permit the fulfillment of the American approach to the malaria eradication program. It is well understood—and it is so stated in the committee report—that development grant funds are available for that purpose.

The budget estimates are \$32,910,000. These funds are available in the appropriations for development grants, the Alliance for Progress grants, development loans and international organizations and programs, and they should be used. If for any reason these appropriations are hard pressed, the President's contingency fund is available. That is our program.

On page 5 of the committee report it is stated:

The committee also feels that the full requirement for the bilateral malaria eradication program be financed out of this appropriation notwithstanding the reductions made herein.

This relates to the economic assistance section. The purpose of the Senator's amendment has been accomplished in terms of the committee report. What he sought to do was to earmark certain funds without increasing the overall amount in the bill.

Mr. McGEE. Mr. President, it seems to me that the malaria eradication program has double protection. One of them is the fund we are discussing, and the other is the transfer by the President of funds from the contingency fund.

Mr. HUMPHREY. Yes; there is a certain amount of transferability in the bill also. This is a program in which we have engaged for several years. It is the expressed position of our Government that this program be financed.

Mr. McCARTHY. Has any fund been set up for any other disease eradication?

Mr. HUMPHREY. No.

Mr. McCARTHY. As I understand, the malaria eradication program has been singled out by the report for special attention and consideration. Is that correct?

Mr. HUMPHREY. Yes; the report points that out.

Mr. SALTONSTALL. Mr. President, I support the bill as reported by the Appropriations Committee. I have supported our foreign aid programs in the past and I commend the efforts of our Government in carrying forward our economic and military assistance pro-

grams. This program has affected, and does affect, our national security in a positive way. So long as foreign assistance remains an essential part of our foreign policy, and this foreign policy is founded on the principle of furthering our national interest and protecting the security of this country, I will support such a program.

Our economic, military and technical aid to foreign countries totals about one-twentieth of our Federal budget. At a time when we should seek places in which to cut our expenditures, this program looms as a very large burden on the American taxpayer. But foreign aid is part of our offense and defense in the cold war. It is as important to our national security as our Defense Establishment, which has a budget this year 10 times greater than foreign aid. At a time when we must concern ourselves with submarine bases in Cuba, with Cuban attempts to export revolution to the Latin American Republics, with Communist penetration of the Congo, with Communist guerrillas in South Vietnam, and, of course, with the ever-dangerous Berlin situation, we cannot cut back on our commitment to lead and defend the free world. The cold war cannot be fought if we keep our eyes on our account books alone.

Surely two very high priorities for this administration are to persuade our more wealthy allies to play an increasingly large role in aiding the less-developed countries so that they carry a larger share of this burden and, secondly, to be absolutely certain that we are spending funds only in those places and only for those programs that are essential to further our objectives of seeking and maintaining peace and our national security.

There has been criticism of the large amount of unspent foreign-aid funds which have previously been appropriated. This is a subject which is easy to oversimplify. The comptrollers use several terms in defining the status of foreign-aid funds, such as committed funds, obligated funds, subobligated funds, and unsubobligated funds. I have been assured by the administration—and my own study of this situation has supported this—that while there are large sums of money in the so-called pipeline, there are very small sums of money proportionately which have not now been earmarked and committed for approved projects and programs. In fact, one of the major reasons that a larger amount of funds have remained in the "unspent but obligated" category is that under congressional direction we are increasing our development loan program and decreasing our grant aid program. These development loans are for long-range projects in the less-developed countries and they are repayable only in dollars. Once a loan agreement is made the funds must remain available for expenditure in increments, sometimes over a period of several years. Thus, while large sums remain unspent they are very definitely obligated under official loan agreements.

The Foreign Assistance Act of 1962 contains in section 620(e) a provision for suspending assistance to any government which nationalizes or expropriates U.S.

property. This provision should be adhered to in every instance, otherwise foreign governments will not take it seriously and attempt to abide by it. I recommended language in the report to the bill which reads in part as follows:

The degree of effectiveness of this section, particularly as to expropriation of property owned by U.S. citizens, is directly related to the degree of strictness of interpretation and application of its terms to any country receiving assistance under this act.

I have been informed that the Republic of Honduras has adopted a law which would permit the confiscation of the property of U.S. companies. This proposed law has been passed by the Congress of Honduras and has now been signed by the President. We would be remiss if we did not put the Government of Honduras, and any other government considering such action, on notice that section 620(e) of the Foreign Assistance Act is a part of the law governing the expenditure of foreign-aid funds and that it will be acted on just as any other law of this land will be acted on.

I recommended language in the report to assure continuation of the program for training African students in this country. This program is supported only in part by funds from development grants. Private American institutions, American colleges and universities, and African governments together contribute about three-quarters of the cost of this program. The underdeveloped countries, particularly in Africa, lack not only capital but also skilled manpower and trained civil servants. Helping to educate these people is a very valuable long-term investment necessary to develop the capacity for leadership in these countries.

Language has also been put in the report concerning the investment guarantee program. I urge the AID to move forward with this program, which will encourage American private industry to invest in and manage large projects essential to the development of the less developed countries. How much better to encourage our efficient and highly trained private enterprise organizations to undertake these programs and, where possible, to do so instead of having our Government undertake them.

Mr. McGEE. Mr. President I was prepared to offer an amendment on page 19 of the bill, to restore the section that was struck from the House bill, which would have added \$1,600,000 for the U.S. Information Agency to build a new transmitter in Thailand.

The importance of that transmitter was made abundantly clear in the committee. It was pointed out, however, that the negotiations were not complete as to where the transmitter would be located. The committee felt, with that uncertainty, that perhaps this matter ought to go over to either the State-Justice Department appropriation bill or the supplemental appropriation bill, at a time when the negotiations would be further along and their completion would be more certain.

With that understanding, namely, that it will come up in one of the two alternatives that I have mentioned, I

shall not offer my amendment. I urge that the appropriate committee give serious consideration to the subject, because in Thailand we have a considerable vacuum in our information program so far as radio transmission is concerned.

I hope the item will receive prompt consideration in connection with either the State-Justice budget or the supplemental appropriation bill, which is now being considered.

Mr. HUMPHREY. Mr. President, I want to add my voice and support for the \$1.6 million already appropriated by the House toward the construction by the USIA of a megawatt medium-wave transmitter in Thailand.

Our commitment to preserve freedom is nowhere in the world more embattled than in southeast Asia. The Communists are using military action in Vietnam; subversion in northeast Thailand; promises of aid for Indonesia and throughout the area ceaseless propaganda barrages, mixing threats and economic inducements. Right now Radio Hanoi and Radio Peiping dominate medium-wave broadcasting in this area. A recent field survey in northeast Thailand indicated that Radio Peiping is laying down a medium-wave signal 6 times stronger than the voice of America at its best and 12 times stronger than any local Thailand station.

The proposed Voice of America medium-wave megawatt will for the first time give us a signal competitive with the Communist radio. This transmitter will cover Burma, Cambodia, Laos, North and South Vietnam, Malaya, parts of Indonesia, and parts of southwestern China as far north as Chungking.

Time is of the essence. It is hoped that the final detailed agreement with Thailand will shortly be concluded. By appropriating \$1.6 million as the House has done we may well save some 6 or 7 months.

All of us want to prevail in the cold war. Let us not deny or delay the use of any effective means of communication. For truth to win, it must be heard.

Mr. JAVITS. Mr. President, I believe there should be an expression from the committee chairman or from the Senator in charge of the bill on the floor about the Thailand radio transmitter, in order to confirm the understanding that it will have proper consideration in connection with the supplemental bill, which no doubt will be before the Senate in a day or two.

I know that the Senator cannot bind any committee. Nonetheless, such a statement would assist the Senator who had proposed the amendment and myself also, as I am deeply interested in the matter. I hope there may be an expression on the subject from the Senator from Arizona or from the Senator from Minnesota [Mr. HUMPHREY]. The matter was discussed in the Committee on Appropriations. The reason the item was not included in the appropriation bill is that negotiations had not been completed.

Mr. HAYDEN. That is correct.

Mr. HUMPHREY. The other body did not like to have an appropriation made before negotiations were completed. We

followed the same pattern. The proposal was not rejected by the committee. To the contrary, the fact is that the negotiations have not been completed, and it is eligible for consideration. I cannot say that the supplemental appropriation bill will include this item, but it is the legitimate place for the item. It was not rejected by the Appropriations Committee.

Mr. JAVITS. And that is confirmed by the chairman of the Appropriations Committee?

Mr. HAYDEN. The Senator is correct.

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement on this project, which goes into the background of the situation in Thailand, where it is proposed to construct this radio transmitter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

**U.S. INFORMATION AGENCY APPROPRIATIONS FOR ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES—REQUEST THAT FUNDS TO INITIATE CONSTRUCTION OF A MEGAWATT MEDIUM WAVE TRANSMITTER IN THAILAND BE REINSTATED**

H.R. 13175 as passed by the House included \$1.6 million to enable the U.S. Information Agency to commence construction of a needed megawatt medium wave transmitter in Thailand. The Senate Appropriations Committee agree that this facility is needed but did not make an allowance for the item because negotiations for the site on which the facility would be constructed had not been fully concluded at the time that the committee considered the request. The committee report states that if successful negotiations are completed in the near future, the Agency can obtain the funds in a supplemental budget request to the Congress.

We have new information now that the Prime Minister of Thailand has publicly announced in press interviews that he agrees in principle with VOA construction of a megawatt transmitter in Thailand. Also, our negotiators are currently in Bangkok and engineers are physically reviewing alternative sites. It is the opinion of the Director of the Voice of America that it will not be possible to conclude a final agreement with Thailand before this Congress adjourns, but that negotiations will be concluded in the very near future, culminating almost certainly in an agreement which would enable the United States to begin work on an approved site immediately.

Another consideration is the fact that the President's request for funds for this project was given considerable publicity in Thailand, and congressional approval would reinforce the importance which this country attaches to the project.

Under these circumstances, allowing for the factor of delay of up to 7 months which would be involved if we await a new supplemental request next January, and Mr. Murrow's assurance that his Agency would not obligate any of these funds if negotiations should break down for any reason, I propose now that we amend the original committee action and go along with the House in appropriating funds to initiate this project as soon as possible.

Mr. JAVITS. I compliment the Senator from Wyoming [McGEE] on the way he has followed up on this item. I am honored in joining him in the pursuit of it.

Mr. HUMPHREY. I am in full support of the Senators in that regard.

Mr. CARLSON. Mr. President, on June 5 of this year I directed the attention of the Senate to an amendment to the foreign assistance bill of 1961 which I offered and which was adopted, the amendment reading as follows:

To the maximum extent feasible, officers and employees performing functions under this Act abroad shall be assigned to countries and positions for which they have special competence, such as appropriate language and practical experience.

It is now possible to report that in reference to appointments for overseas posts, some Government departments have made a notable effort to carry out the wishes of the Senate by "assigning officers and employees to countries and positions where they have special competence, such as appropriate language and practical experience."

However, one or two important agencies requiring assignment of personnel overseas have not fully carried out the intent of the amendment. I am advised that the reason for their failure to do so is an administrative regulation requiring all officers and employees destined for service overseas to sign an agreement as a condition precedent to filing Civil Service Form 57, insisting that if appointed to a position in foreign service, the applicant agrees to service wherever the personnel head of the agency designates. This requirement, unless modified, is in my opinion a handicap to the appointive officers as it discourages men and women especially qualified in language and/or acquainted with special areas from seeking Government service.

Therefore, knowing our great need for such specially qualified people to serve our country abroad, I had hoped to offer an amendment to the current appropriation bill affecting foreign service in slightly different language, but it would be subject to a point of order. The amendment that I had intended to offer is as follows:

Officers and employees performing functions under this Act abroad shall be assigned to countries and positions for which they have special competence such as appropriate language, personal knowledge of the country and practical experience; persons having such special qualifications shall not be required to sign a statement agreeing to service on a worldwide basis.

It is my hope that those in authority will select our representatives on basis of their qualifications.

Mr. MORSE. Mr. President, I should like to address some questions to the acting majority leader, by way of making a record on this subject. He knows that yesterday I filed a notice of motion to suspend the rule, so that my bill, S. 2985, could be offered to the pending bill.

The bill before the Senate would give away hundreds of millions of dollars. Hundreds of millions of dollars of waste are involved in the military appropriation contained therein, to the great detriment of the American taxpayers, undermining the greatest defense weapon we have, namely, our national economy.

I am a very cooperative individual. My leadership came to me this morning and asked me if I would give consideration to filing another notice of motion today to add my bill, S. 2985, to the appropriation bill for the Justice Department or, if necessary, to the appropriations for the Commerce Department. It would do ironic justice if it were added to the appropriations for the State Department, although I believe it is perfectly appropriate that it be added to this very unsound foreign aid bill, against which I shall vote, because I do not intend to cast any vote which in my judgment would weaken America's greatest defense weapon; namely, its economy. I do not intend to vote for a bill that involves 65 cents out of every dollar of foreign aid going into an outright giveaway, and only 35 cents into repayable loans.

The acting majority leader knows that in the Committee on Foreign Relations, on which he and I have the honor to serve, we have for 4 years waged a battle to try to increase the loan features at a much more rapid pace and to decrease the grant features of the foreign-aid bill. I shall discuss that point later.

Now I wish to ask a question or two of the acting majority leader with reference to the bill S. 2985. I have been battling for several years in the Senate seeking to do justice to World War I veterans, who are the forgotten veterans of American history, and who, in my judgment, are entitled to the kind of minimum pension which my bill provides.

My proposal would protect the American taxpayer, in that veterans who would get the pension are the veterans who, after all, sorely need it. The money would flow immediately into the cash registers of America; it would increase the purchasing power of America; it would stimulate the economy and help to expand it. But the important point, so far as the senior Senator from Oregon is concerned, is that these veterans are entitled to the pension as a matter of economic justice.

So I was about to offer my bill as an amendment to the foreign-aid bill and ask Senators to stand up once again and be counted on this issue. However, I have agreed with the leadership not to offer it, in order that the foreign-aid bill may proceed to a third reading. I am a realist; I know that the foreign-aid bill will pass. It should not, but it will.

But I now serve notice that I shall offer my bill as an amendment to the State, Justice, Commerce appropriations bill, provided the majority leader can give me such assurance as any majority leader could give me, that the State, Justice, Commerce appropriations bill will come to the floor of the Senate either tomorrow or the next day for debate and vote.

Mr. HUMPHREY. I can give the Senator from Oregon that firm assurance. Not only will the Senate consider the State, Justice, Commerce appropriation bill; it will also consider the supplemental appropriation bill. So the Senator will have two opportunities to offer

his amendment. I am aware of his desire to do so.

First, I express my deep appreciation to the Senator from Oregon for his co-operation with respect to the foreign aid appropriation bill. There will be ample opportunity for him to offer his amendment to either of the two remaining appropriation bills.

Mr. MORSE. I thank the acting majority leader for his cooperation with me in regard to this proposal. I have no desire to follow a parliamentary course of action today which will delay the vote on the foreign aid bill, in view of the fact that I will have other avenues, parliamentarywise, which will enable me to obtain a vote on S. 2985.

I do feel, however, that it is especially appropriate to offer as an amendment to the foreign aid bill.

Mr. President, I now file notice of my motion to suspend the rule.

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing my amendment to the bill (H.R. 12580), the State, Justice, Commerce appropriation bill, 1963.

Mr. HUMPHREY. I thank the Senator from Oregon for his cooperation.

Mr. HICKENLOOPER. Mr. President, I wish to discuss for a few minutes a subject which I believe is of supreme importance to our country; namely, the cavalier treatment by the State Department of a law just passed by Congress, the ink of the signature on which has not yet dried. It is with reference to the expropriation and seizure of American property in certain foreign countries. I believe other Senators are interested as well.

Mr. HUMPHREY. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. HUMPHREY. I am aware of the deep interest of the Senator from Iowa in this subject. I also am deeply interested.

Mr. HICKENLOOPER. I know the Senator from Minnesota is interested.

Mr. HUMPHREY. The Senator from Iowa worked diligently in the Committee on Foreign Relations to perfect language that would seek to correct the situation to which he alludes.

In the light of the progress made on the foreign aid appropriation bill, since many items have been considered very carefully, would the Senator from Iowa be willing to permit the bill to be read the third time? Then we could have as much debate on the text and ultimate purpose as we might desire. It would be helpful if we could proceed to the third reading.

Mr. HICKENLOOPER. I wish to help the leadership expedite final action on any piece of proposed legislation. Frankly I have been wrestling with myself concerning the preparation of a further amendment which would implement the legislation already on the books. I have concluded that it would probably be ineffectual to write an amendment which would say to the State Department, in

effect, "You will have to do what the law already tells you to do." That would be a rather futile gesture.

I have concluded that the law is adequate in accordance with my amendment, which was included in the authorization bill as it passed the Senate. I think the difficulty is that the State Department is still not following the spirit and intent of the law. Therefore, my own conclusion is that it would be vain or futile to offer an amendment merely telling the State Department to do what the law already prescribes it shall do. So I do not wish to offer an amendment.

Mr. HUMPHREY. I appreciate that.

Mr. MORSE. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. MORSE. The Senator from Iowa and I, and perhaps other Senators, wish to discuss the Honduran case, not at great length, but to make a record concerning it. I quite agree with the Senator from Iowa that no amendment to the existing law is needed. If there is any reader in the State Department who can read the English language, he will see that the law is already crystal clear. The sad fact is, as we shall bring out later, that the Senator from Iowa and the Senator from Oregon are satisfied that there is a deliberate attempt on the part of the State Department to ignore and evade the law.

The State Department must be held to an accounting for its failure to follow the law which is already on the books, for the action of the State Department with respect to the Honduran situation cannot be justified. The law is perfectly clear. In my judgment, the law prohibits the State Department from doing what it was attempting to in regard to the Honduran matter. I think it is up to the Committee on Foreign Relations to call the representatives of the State Department before it to make a record and hold them to an accounting for their action, for I consider them to be guilty of malfeasance in office with regard to the situation in Honduras.

So far as I am concerned, I am willing to have the bill read the third time; then Senators who wish to make a record on the Honduran case may do so after the third reading.

Mr. HICKENLOOPER. I thank the Senator from Oregon. I told the majority leader a moment ago that in view of the fact that I do not intend to offer an amendment, I would have no objection to the bill being read the third time, provided I do not lose the floor. However, I have just been informed that the Senator from South Dakota [Mr. MUNDT] has an amendment which he intends to offer and has been waiting to offer.

I certainly do not wish to block him from offering his amendment. I think the majority leader understands that.

Also, the Senator from Missouri [Mr. SYMINGTON] desires to make a statement; but he stated that he was willing to wait until after the third reading. As I understand, his remarks do not pertain to an amendment.

Mr. SYMINGTON. The Senator is correct.

Mr. HICKENLOOPER. I am perfectly willing to yield to the Senator from Missouri at any appropriate time; but I understand that it would be just as appropriate to have the third reading.

Mr. SYMINGTON. I shall wait.

Mr. LAUSCHE. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. Mr. President, last week the Senate passed a resolution urging firmness on the part of the administration with regard to Cuba. Several weeks ago in the Committee on Foreign Relations, through the sponsorship of the Senator from Iowa, a highlight of the discussion was the subject of granting aid to countries which confiscated, without compensation, the property of citizens of the United States. At that time, it was argued, especially by the Senator from Iowa, that the confiscation by Brazil merely gave encouragement to other nations to confiscate property of U.S. citizens. The excuse given by the State Department was that a province of Brazil—not the national government—did the confiscating. But, Mr. President, in my opinion that argument did not have a sound basis; and I cannot accept it.

The situation in Honduras is a part of the trend or movement that follows our countenancing the confiscation of the property of American citizens in other countries; and I think we have no more vital responsibility than to let the other nations of the world know that the amendment adopted and included in the foreign aid authorization bill was placed in that bill with the somber and firm purpose of having the State Department put it into execution. I believe this subject should be discussed either now or following the passage of this bill; and before the day is over I shall have more to say about it.

Mr. HICKENLOOPER. Mr. President, I thank the Senator from Ohio.

Mr. MANSFIELD. Mr. President—

Mr. HICKENLOOPER. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I have discussed with the senior Senator from Iowa [Mr. HICKENLOOPER], who now controls the floor, the Senator from Oregon, the Senator from Minnesota, and other Senators, the amendment to be offered by the distinguished senior Senator from South Dakota [Mr. MUNDT]. I am about to make a unanimous-consent request which I hope will meet with the approval of the Senate. What I shall request is not an unusual procedure, because we tried it last week, and it was very successful.

Mr. President, I ask unanimous consent that the third reading of the bill be considered as having been arrived at, and that 20 minutes be allocated to the amendment to be offered by the Senator from South Dakota, with 15 minutes to be controlled by him and 5 minutes to be controlled by the Senator from Arizona.

The VICE PRESIDENT. Is there objection?

**Mr. HICKENLOOPER.** Mr. President, reserving the right to object, I wish to protect my right to the floor.

**Mr. MANSFIELD.** The Senator's right to the floor will be protected, because, under the proposed agreement, the suggested action will be taken with the proviso that he will keep the floor and will retain it while the amendment is being considered, and will have the floor afterward.

**Mr. HICKENLOOPER.** Then I have no objection.

**The VICE PRESIDENT.** Is there objection? Without objection, it is so ordered; and the question now is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

**Mr. MUNDT.** Mr. President, I have at the desk an amendment which I now submit on behalf of myself and the Senator from Louisiana [Mr. ELLENDER].

**The VICE PRESIDENT.** The amendment to the committee amendment will be stated.

**The CHIEF CLERK.** In the committee amendment on page 3, in line 19, it is proposed to strike out "\$1,125,000,000", and to insert in lieu thereof "\$1,000,000."

**The VICE PRESIDENT.** The question is on agreeing to the amendment submitted by the Senator from South Dakota, on behalf of himself and the Senator from Louisiana, to the committee amendment.

**Mr. MUNDT.** Mr. President, if I may have the attention of the Senate, I wish to say that when a proposal similar to this amendment was previously voted on, it lost by a margin of only two or three votes, as I recall. That effort was to cut \$200 million from the Development Loan Fund. My amendment offers the Senate a "last chance" opportunity to make a cut in this multibillion-dollar bill and to require an improvement in the efficiency by which these colossal amounts are dispensed throughout the world.

Since yesterday I have conferred with several Members of the Senate who

would like to have some economy effected in this area, but who thought a \$200 million cut might be too large. Accordingly, I have joined with the Senator from Louisiana [Mr. ELLENDER] in proposing that the appropriation be reduced by \$125 million. The result would be to provide \$1 billion for the Development Loan Fund—still far above the amount approved in the House.

Mr. President, we propose this amendment in the interest of economy. It is true that economy may be an old-fashioned word, and it may be that many persons have lost all intention to economize and all desire to have the budget balanced. But even if we accept the fact that some Senators honestly feel that spending money is the way to make the country prosperous—although I do not agree—let us realize that, at least in my opinion, what the loan and aid program under the bill needs more than anything else is selectivity. However, when more and more funds are added to the program, as if money meant nothing to the taxpayers of the Nation, the element of selectivity, the process of deciding which to accept and which to reject, is lost. Anyone who heard the testimony at the hearings of our Appropriations Committee or who has read the testimony must realize that some proposed loans should be rejected. We need to have the loans which are third class or fourth class in priority rejected, and we need to have the good ones or the better ones accepted. However we should not be committed to giving everybody everything.

In addition to economy—and I do not here criticize those who are against economy—if they consider it proper to be liberal with the people's money, that is their right—the element of selectivity in this connection should appeal even to those who do not advocate economy. In connection with the aid program, we need to emphasize the point that it is supposed to be a businesslike program, a shift from grants to loans. That is what we were told. But we find that the shift has been made in name only, because instead of requiring the payment of Treasury rates of interest or legitimate

rates of interest, most of these grants are 40-year development loans without interest.

I do not think we should attempt to deceive our constituents. I believe we should let the taxpayers know that we are calling a grant a development loan, and that the only difference is that one-fourth of 1 percent interest is to be charged as a so-called service charge although in some instances even that is to be deferred 10 years.

We were advised that this program was to be handled on the basis of a businesslike transaction, with annual payments to be made and with some legitimate rate of interest to be paid on an annual basis. However, all those things have now gone by the board, because too many Members of Congress were willing to have money treated as if it were falling leaves at the first frost in the fall. Thus we encourage bad administration rather than wise administration of this AID money.

But, Mr. President, at a time when we are regularly asked to increase our national debt limit, the least we can do, in making this last effort on the bill, is to amend it to the extent of providing for \$1 billion, instead of pushing on the agency in charge an additional \$125 million, when it does not state what it would do with it, other than that it would provide it to some country at one-fourth of 1 percent interest over a period ranging as high as 40 years.

Mr. President, in order that future students of this matter and research workers who may wish to determine on what basis Congress acted may have the benefit of some definite statistics, I ask unanimous consent to have printed at this point in the RECORD a table entitled "Fiscal Year 1962 Program for India," which appears on page 19 of the House Appropriations Committee report on the bill, and also a table, from page 20 of the same report, entitled "Loans Other Than United States to India." It will be a most revealing study to anybody taking the time seriously to examine it.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

*Fiscal year 1962 program for India*

[Dollars in millions]

	Total cost foreign exchange and rupees	U.S. loan value	Date loan authorized	Service charge	Terms of repayment	Maximum maturity
<b>Project:</b>						
Cambay thermal powerplant	\$52.5	\$33.6	July 28, 1961	1/4 of 1 percent	In U.S. dollars	40 years.
Bandel thermal powerplant	54.2	38.0	Nov. 30, 1961	do	do	Do.
Pamba-Kakki hydroelectric powerplant	58.9	20.2	Mar. 23, 1962	do	do	Do.
Trombay thermal powerplant	26.3	17.9	May 29, 1962	do	do	Do.
Patherdih coal washery plant	7.7	4.2	Jan. 24, 1962	do	do	Do.
Premier automobile manufacturing plant	13.0	3.0	Dec. 18, 1961	do	do	Do.
Hindustan Motors, Ltd.	21.4	15.8	(2)	do	do	Do.
Industrial Finance Corp.	120.0	20.0	Mar. 16, 1962	do	do	Do.
Rayon tire cord factory	15.7	9.8	do	do	do	Do.
Railway program	43.0	43.0	May 31, 1962	do	do	Do.
Total project		205.5				
Nonproject: Industrial raw materials, components, steel, etc.	1200.0	200.0	Mar. 16, 1962	1/4 of 1 percent	In U.S. dollars	Do.
Grand total	1502.7	405.5				

<sup>1</sup> Other local or foreign exchange costs of project or nonproject nature over the years not included in this report.

<sup>2</sup> Development Loan Committee approved June 14, 1962.

## Loans other than United States to India

[Dollars in millions]

Country	Total project cost	Loan value	Date authorized	Interest rate	Terms of repayment	Maximum maturity	Country	Total project cost	Loan value	Date authorized	Interest rate	Terms of repayment	Maximum maturity
<b>FREE WORLD</b>													
West Germany:							FREE WORLD—Con.						
Rourkela	\$241.5	\$157.1	Feb. 26, 1958	6.3	(1)	3 years.	Japan:						
Capital goods	(1)	40.1	Jan. 6, 1959	5½	(1)	20 years.	Credit—Con.						
Do	(1)	30.0	May 27, 1960	6½	(1)	Do.	Bailadila Iron	(1)	\$21.0	Mar. 8, 1960	6	(1)	
Do	(1)	30.0	Nov. 15, 1960	5½	(1)	15 years.	Orissa Iron	(1)	8.0	Jan. 4, 1958	6	(1)	5 years.
Rourkela	(1)	24.6	Jan. 30, 1961	5¾	(1)	4 years.	Switzerland	(1)	22.9	July 30, 1960	3½	(1)	10 years.
Do	(1)	48.3	Apr. 29, 1961	5½	(1)	13 years.	Yugoslavia	(1)	39.9	Jan. —, 1960	3	(1)	
Balance of payments	(1)	25.0	do	5½	(1)	20 years.	France:						
Do	(1)	42.5	Sept. 14, 1961	3	(1)	Do.	Consortium	(1)	30.0	Sept. 12, 1961	(1)	(1)	
United Kingdom:	(1)	32.2	Jan. 5, 1957	2+1	(1)	2½ years.	2d plan	(1)	100.0	—	(1)	(1)	
Lazard Credit Durgapur (private loan).	(1)	42.0	June 30, 1958	2+1/4	(1)	11 years.	Italy	(1)	96.0	Aug. 29, 1961	5	(1)	12 years.
Durgapur	(1)	79.8	Dec. 20, 1958	2+1/4	(1)	20 years.	Total, free world	(1)	1,249.0	—	—	—	—
Capital goods	(1)	8.4	June 23, 1959	2+1/4	(1)	6½ years.	SOVIET BLOC						
Naharkatiya oil pipeline.							U.S.S.R.:						
Capital goods	(1)	53.2	Nov. 25, 1959	2+1/4	(1)	20 years.	Bhilai Steel	(1)	132.5	Feb. 2, 1955	2½	(1)	Do.
Do	(1)	28.0	Aug. 16, 1960	2+1/4	(1)	Do.	Industrial	(1)	126.0	Nov. 9, 1957	2½	(1)	Do.
Do	(1)	14.0	Dec. 23, 1960	2+1/4	(1)	Do.	Drugs	(1)	20.0	May 29, 1959	2½	(1)	7 years.
Do	(1)	28.0	May 1, 1961	2+1/4	(1)	25 years.	Barunri Oil	(1)	25.0	Sept. 28, 1959	2½	(1)	12 years.
Do	(1)	84.0	do	2+1/4	(1)	Do.	Credit 3d plan	(1)	375.0	Sept. 12, 1959	2½	(1)	Do.
Do	(1)	14.0	Nov. 10, 1961	2+1/4	(1)	Do.	Do	(1)	125.0	Feb. 21, 1961	2½	(1)	Do.
Japan:							Czechoslovakia	(1)	48.5	Nov. —, 1959	2½	(1)	8 years.
Credit	(1)	50.0	Feb. 4, 1958	5¾	(1)	10 years.	Poland	(1)	30.0	May —, 1960	2½	(1)	Do.
Ad Hoc	(1)	10.0	Aug. —, 1958	(1)	(1)	Do.	Rumania	(1)	11.0	Oct. —, 1958	2½	(1)	7 years.
Do	(1)	10.0	Mar. —, 1959	6	(1)	15 years.	Total, Soviet bloc	(1)	893.0	—	—	—	—

<sup>1</sup> Not known.<sup>2</sup> Treasury rate.<sup>3</sup> Under negotiation.<sup>4</sup> To be negotiated.<sup>5</sup> Export of Indian commodities to U.S.S.R.

Mr. MUNDT. Mr. President, the table entitled "Loans Other Than United States to India" has a very interesting column captioned "Interest rate." Senators and taxpayers should study it. It shows that, with the sole exception of Uncle Sam—who seems to be trying to recapture the title of "Uncle Sucker" or "Uncle Sap" every other country making a development loan to India charges a legitimate rate of interest. Sometimes I think perhaps they charge a little too much interest; but at least they do not superimpose upon their taxpayers the cost of making such foreign loans without charging any realistic interest whatsoever to the country to which the loan is made.

Mr. President, another point which should be borne in mind is that these loans are in competition with private business loans. Billions of dollars have been invested abroad in this area by American industry. We should encourage more such investments, and we should encourage foreign groups to engage in business transactions with private investors in this country. But that cannot be done if there is a big smorgasbord of our Government's money in the next tent, accompanied by an invitation "Come and get it, and we will either give it to you without interest or we will give it to you at one-fourth of 1 percent interest."

Mr. President, how can participation between American business and private business abroad be encouraged when an arrangement to provide no-interest long-term loans or grants is made ready for use?

Mr. McGEE. Mr. President, will the Senator yield?

Mr. MUNDT. In just one second.

I submit that this is the last opportunity this year the Senate has to vote for an important economy measure, to

save at least \$125 million. I think that is important. Some persons will disagree because they have lost concern about economy. But I think no one will disagree about the desirability of insisting on some selectivity in this program. If it is reduced to \$1 billion, what remains is not a small item of change. But to cut the item down by \$125 million would force the administrators of the program to pick and choose between the worst loans and the better loans, the bad loans and the good loans, the really attractive and important loans and those in which they simply shovel out the taxpayer's money because the money is forced upon the administrators of AID.

A third great advantage of our amendment to make at least a modest reduction is that it would necessitate developing some kind of businesslike bookkeeping, some kind of businesslike approach, some kind of prudent management of the funds, by encouraging the AID administrators to charge some type of legitimate interest rates, and insist on a realistic beginning of an annual, regular repayment program, which our Appropriations Committee has been trying to get them to do year after year.

If we can have the support of the Senate and cut this amount down a little, we can make some achievement in that direction. We will fire a warning shot that the taxpayers are tired of being kidded and told that what really is a development program is actually a grant program. It is the former in name, but, as the Senator from Louisiana pointed out yesterday, it is becoming a grant program under a long name by misrepresenting it as a development loan program.

The reason for it is that the administrators have become reckless as a consequence of having too much money

to spend in too many farflung areas of the world.

I have been in favor of an aid program. I have supported it in the past. If a reasonable, realistic program can be placed before us, I am ready to support it again. But I am not going to support another program which is profligate and reckless on its face, which deceives the American people on its face. Other Senators may want to support it. As one Senator, I will not cast another vote to perpetuate and to expand that kind of financial fraud on the American people, especially when the money is made available to Communist countries, to self-seeking neutrals, and to those who oppose us as well as to those who support us.

I have sat with the Appropriations Committee and I have interrogated witnesses. I have read the reports of the Senator from Louisiana [Mr. ELLENDER], who traveled extensively and looked firsthand at projects. He has looked at the projects which administrators talk about vicariously. It is a somewhat curious situation when a witness talks about a project he has never seen and a Member of the Senate who has been there comes up with firsthand facts to demonstrate its utility.

Unless we start cutting down these programs realistically, sooner or later, as we continue to run this country in the red, our citizens are going to be aroused to the point where they will insist the United States call off the whole program.

So I suggest that we exercise a little prudence, because to do so will bring us big dividends in the future. I hope the Mundt-Ellender amendment will be adopted.

I reserve the remainder of my time.

Mr. McGEE. Mr. President, is the Senator through, or will he yield?

Mr. MUNDT. I reserve the remainder of my time.

Mr. McGEE. Mr. President, will the Senator yield me 3 minutes?

Mr. HAYDEN. I yield the Senator from Wyoming 3 minutes.

Mr. McGEE. Mr. President, we were over all this ground yesterday, and we tried to analyze the issues at stake in the loan development program. I challenge the statement that these loans are all being made on a 40-year basis and the suggestion that they have become grants. The hard fact is that the record for last year suggests that \$341 million of those loans were out for more than 20 years, generally up to 40 years, but that \$358 million—a larger number—were on a 10- to 20-year loan basis. Finally, nearly \$300 million additional in loans were on a 5- to 10-year loan basis.

I think it would be a disservice to this body to leave the impression that all of the loans are being made on a 40-year loan formula, which is not the case.

Likewise, I think we ought to bear in mind that, on the whole development loan program, the Senate has been after the foreign aid administrators to convert our grant program as rapidly as possible to a loan program. This was the transitional stage, so that it would be feasible to make the adjustment without interrupting the momentum of the kind of economic impact we sought to achieve.

The Senator from South Dakota was present during all this interrogation, when it was established that the development loans will be made only where there are reasonable prospects of repayment, and, furthermore, that the administrators must adhere to the criteria enumerated in the committee report; namely:

First. Whether the financing might be partly or completely obtained from other free world sources on reasonable terms.

Second. The economic and technical soundness of the proposed activity must be established.

Third. Whether the project shows reasonable promise of contributing to the development of economic resources or an increase of production capacities of the country concerned.

Fourth. The relationship of the activity to other developmental activities and its contribution to long range objectives.

Fifth. The extent to which the recipient country shows a responsiveness to the economic, political, and social concerns of its people and a determination to use effective self-help measures.

Sixth. The possible effects of the proposed loan upon the U.S. economy, with special reference to areas of labor surplus, is another criterion.

As a result of the changes brought about by Members of the Senate, changes recommended by the Senator from Louisiana [Mr. ELLENDER], we have been able to tighten up the provisions of the loan program. We have been able to force the improvements in which the Senator from South Dakota is interested, as is the Senator from Wyoming.

As I suggested yesterday, this is no time to be cutting back further. The

program has already been cut back substantially in committee. We know full well that we go into conference without any indication of what kind of compromise will be brought about in the conference.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. McGEE. Mr. President, I ask unanimous consent that I may have another half minute.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McGEE. Having made this progress, it is hardly the fair moment, and certainly hardly the right moment, to attempt to cut the program still further beyond the committee's recommendation, as we seek to improve and broaden the base of economic impact all over the world.

Mr. MORSE. Mr. President, will the Senator yield me half a minute?

Mr. MUNDT. I yield half a minute to the Senator from Oregon.

Mr. MORSE. I intend to vote for the amendment. The observations of the Senator from Wyoming would have been much sounder if he had given support to efforts to eliminate some of the grant money provided in the bill. We have an obligation to save the taxpayers hundreds of millions of dollars, and we should have saved it in regard to the grant features. Our obligation is to save the taxpayers something. Therefore, I am going to vote for any amendment that will cut down the total cost of the bill, in behalf of the taxpayers of the country.

Perhaps that will teach the administration next year, in view of the close votes in this session, what is going to happen in the next session, because, after the voters are heard from in November, notice will be served on the administration that the time has come when hundreds of millions of dollars must be saved in the foreign aid bill.

Mr. MUNDT. I appreciate the Senator's contribution. He has expressed the situation succinctly. I do not see how we can defend this kind of profligate spending of the taxpayers' money unless we have complete contempt for budget balancing.

I yield half a minute to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, I shall support the amendment of the Senator from South Dakota. I shall do so because past experience has demonstrated that doles and loans without interest have not achieved the objective advocated by the sponsors of the programs.

The attitude of our allies in NATO and in the Western Hemisphere concerning our problems with Cuba indicates that what we had hoped to achieve by our bountiful aid has not had ultimate achievement.

I do not believe that we can continue to dole out money the way we have, in the face of the constant cries about the absence of and the flight of gold.

The VICE PRESIDENT. The time of the Senator from Ohio has expired.

Mr. MUNDT. Mr. President, I yield the Senator another half minute.

Mr. LAUSCHE. We cannot do it. This program is feeding American dollars into foreign countries, which countries then are demanding payment not in American dollars, but in American gold. We cannot afford to continue on that course. The evidence is entirely too great that there has been maladministration and extravagance.

The VICE PRESIDENT. The Senator's time has again expired.

Mr. LAUSCHE. May I have another minute?

Mr. MUNDT. Mr. President, I yield the Senator another half minute.

Mr. LAUSCHE. Over and above all that, I have seen what has happened in the Committee on Foreign Relations, when members of foreign delegations have been entertained. Time and again the question is asked, "What can you do for the United States if we aid you?" The answer is, "You are audacious in asking us what we can do for you. You help us."

I am shocked every time I hear those answers.

For those reasons I will support the amendment.

Mr. HAYDEN. Mr. President, I yield a half a minute to the Senator from New York [Mr. JAVITS].

The VICE PRESIDENT. The Senator from New York is recognized for one-half minute.

Mr. JAVITS. Mr. President, the \$50 billion we spend for defense annually is much more than we are now talking about—it is 10 times as much—but that has not enabled us to achieve our aspirations and objectives, either.

The economic aid program is the one offensive arm of the United States. I do not wish to see it crippled.

Second, we shall have to negotiate with the House of Representatives. The only question before the Senate is whether we shall start negotiations from a lower base or from the base set by the committee. I am in favor of at least starting from the base set by the committee.

Third, the Europeans are now contributing \$2½ billion to foreign aid. Do we wish to knock that in the head, or should we encourage it?

Those are the issues on the vote to come. Therefore, I shall vote against the amendment. I am grateful to the chairman for yielding to me.

Mr. MUNDT. Mr. President, may we have a report on the time remaining, please?

The VICE PRESIDENT. There is 1 minute remaining on each side.

Mr. MUNDT. Mr. President, I yield a half minute to the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. Mr. President, it will be recalled that yesterday I offered an amendment to cut this program by \$200 million, and the vote was very close. As I pointed out, the program will continue to grow and, in my humble judgment, it will resolve itself into another giveaway program.

As we loan money to the various countries on a long term basis, we are told that our friends are assisting by making

similar loans to this country. How are our so-called allies rendering this so-called assistance? They are doing it by making short-term loans at high interest rate. And how are we making these so-called loans? On a 40-year basis at a three-quarters of 1 percent service charge with a 10-year grace period.

These can be called loans by no stretch of the imagination. But what really irks me is that the high-interest, short-term, business-like loans made the rich countries of Western Europe and Japan will be repaid to those countries with the hard-earned American dollars we have given, and are giving, away.

**THE VICE PRESIDENT.** The time of the Senator from Louisiana has expired.

**MR. MUNDT.** Mr. President, I shall take the 20 or 30 seconds remaining to answer the remarks made by the Senator from Wyoming, when he pointed out that not all of the loans are 40-year loans. That is what I said. That is why we need some selectivity. If we reduce the amount of money which is available, more of the loans will be 5- and 10-year loans.

The table shows that more than a half-billion dollars of 40-year interest-free loans were granted to India last year, and nearly another half billion dollars is proposed for India this year on the basis of 40 years and three-fourths of 1 percent interest. That is pretty much a grant, and the only way to stop it is to effectuate some economy now.

**THE VICE PRESIDENT.** The Senator from Arizona has 1 minute remaining.

**MR. HAYDEN.** Mr. President, I yield the minute to the Senator from Montana [Mr. MANSFIELD].

**MR. MANSFIELD.** Mr. President, I thought this question was settled yesterday when the distinguished Senator from Louisiana [Mr. ELLENDER] offered an identical amendment, except that the figure was somewhat higher. As I recall, the amendment would have cut \$200 million instead of the \$135 million proposed in the pending Mundt amendment.

Yesterday the distinguished Senator from Wyoming [Mr. McGEE], the distinguished Senator from Massachusetts [Mr. SALTONSTALL], and the distinguished Senator from Minnesota [Mr. HUMPHREY], the acting floor leader, answered all of the arguments advanced at that time. If my memory serves me correctly, the Senate turned down that proposal by a vote of 40 to 34.

I hope, even though there is a division within the Appropriations Committee on this particular question, which has been indicated by the debate on the floor yesterday and today, that the majority opinion of the Committee on Appropriations will be upheld and that the Senate will vote down the amendment offered by the Senator from South Dakota.

**MR. MUNDT.** Mr. President, I ask for the yeas and nays on my amendment.

**MR. MORSE.** Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

**THE VICE PRESIDENT.** All time has expired. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. MUNDT]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

**MR. BURDICK.** Mr. President, I have a pair with the senior Senator from Pennsylvania [Mr. CLARK]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

**MR. HUMPHREY.** I announce that the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from Alaska would vote "yea."

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Utah would vote "yea."

I further announce that, if present and voting, the Senator from Illinois [Mr. DOUGLAS] would vote "nay."

**MR. KUCHEL.** I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTMU], the Senator from Indiana [Mr. CAPEHART], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] would each vote "yea."

On this vote, the Senator from South Dakota [Mr. BOTTMU] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Wisconsin would vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Colorado would vote "nay."

The result was announced—yeas 38, nays 40, as follows:

[No. 301 Leg.]

YEAS—38

Allott	Fong	Murphy
Bible	Goldwater	Pearson
Boggs	Hickenlooper	Proxmire
Bush	Hruska	Robertson
Butler	Johnston	Russell
Byrd, Va.	Jordan, N.C.	Smith, Maine
Cannon	Jordan, Idaho	Stennis
Carlson	Keating	Talmadge
Cotton	Lausche	Thurmond
Curtis	Long, La.	Williams, Del.
Dirksen	Miller	Yarborough
Ellender	Morse	Young, N. Dak.
Ervin	Mundt	

NAYS—40

Bartlett	Jackson	Neuberger
Beall	Javits	Pastore
Byrd, W. Va.	Kefauver	Pell
Case	Kerr	Randolph
Church	Kuchel	Saltonstall
Cooper	Long, Mo.	Scott
Dodd	Long, Hawaii	Smathers
Engle	Mansfield	Smith, Mass.
Gore	McCarthy	Sparkman
Hart	McGee	Symington
Hartke	McNamara	Williams, N.J.
Hayden	Metcalf	Young, Ohio
Holland	Moss	
Humphrey	Muskie	

NOT VOTING—22

Aiken	Clark	McClellan
Anderson	Douglas	Monroney
Bennett	Eastland	Morton
Bottum	Fulbright	Prouty
Burdick	Gruening	Tower
Capehart	Hickey	Wiley
Carroll	Hill	
Chavez	Magnuson	

So Mr. MUNDT's amendment was rejected.

**MR. HICKENLOOPER.** Mr. President, I understand that the bill has now been read the third time. Is that correct?

**THE VICE PRESIDENT.** The Senator is correct.

**MR. HICKENLOOPER.** I wish to discuss a subject for a few minutes. First, I yield 4 minutes to the Senator from Missouri.

LET US GIVE THE ADMINISTRATOR OF THE FOREIGN AID PROGRAM ADEQUATE FUNDS TO PROPERLY MANAGE THE JOB

**MR. SYMINGTON.** Mr. President, the present concern with our many problems as a nation, adequate defense shield, balance of payments, the heavy tax burden on our citizenry, necessitate the Congress taking a careful look at this year's recommended foreign-aid program.

I entered a respectful but earnest protest, however, against one of the recent House reductions—the reduction in the administrative funds requested to manage the AID program, and am very glad the Senate Appropriations Committee restored most of that reduction; in fact, for the following reasons, I wish they had restored it all.

We know that any aid program requires appropriations to cover its administration costs. We also realize that a program's success or failure depends a great deal on the way its is managed.

Those of us who in recent years have visited various parts of the world also realize that one of the prime requirements for any aid program is better administration, better business management under more sound accounting principles.

Nevertheless, the House reduced by \$7 million the requested appropriation

for administrative expense. Actually it was \$9.7 million, because the House expressed disapproval of a shift of 258 positions, which in turn had to be financed from these administrative funds.

This House proposal meant a reduction of nearly 20 percent in administration; and this reduction would have cut the heart out of any real chance for major improvement in the management of the program, despite the fact that in effect this new Agency is now being administered by one of the ablest men in Government—Fowler Hamilton.

The lending operations of AID mean that actually Mr. Hamilton is operating the largest public bank in the world.

How many people realize that AID's loan funds for the fiscal year 1962 almost equalled the combined total of the Export-Import Bank and the World Bank. The total AID loan authorizations in fiscal 1962 were \$1,341 million, as compared to loan authorizations of \$882 million by the World Bank and \$584 million in comparable loans by the Export-Import Bank.

In the 4 years since its inception, the cumulative loans of the Development Loan Fund, combined with those of AID, totaled \$3,327 million, which is more than half that lent by the World Bank in the 15 years since 1947; and almost 45 percent of that lent by the Export-Import Bank for comparable loans in the 16 years since 1946.

The people who would be affected by the proposed House reduction include economists and financial analysts, engineers and auditors, controllers, contract experts and lawyers; in other words, those necessary to plan, organize, implement and audit investments under this multi-billion dollar loan program.

For many years we here on the Senate floor have stressed the importance of better management of AID, because we know that good management is essential for maximum return to the taxpayer for each dollar invested.

A cut in the magnitude proposed would have required the arbitrary dismissal of more than 1,000 out of the 3,000 Americans on the administrative staff—an almost fatal blow to an agency that has had less than a year to get on its feet.

It would have nullified all recent efforts to achieve a reorganization and re-orientation of our foreign aid activities, especially those efforts now being made to streamline and consolidate programs in Central and South America.

It could only affect adversely the policy announced in the recent Joint Congressional Resolution, namely, a firm stand against the obviously growing danger of the Cuban Communist beachhead in this hemisphere.

How can we afford to cut by a third the staff of financial analysts who must analyze and recommend how these billions are to be utilized; by a third the engineers appointed to see that projects are soundly designed—by one-third those people working with American businesses to generate private investments overseas—by one-third the auditors, contract experts and lawyers employed to assure this money is spent in the best interests of the United States.

Regardless of differences as to what should be the total amount of the program, all of us want to see it operated with maximum efficiency. Surely, therefore, we do not want now to cripple its carefully drawn up plans and programs designed to attain that efficiency.

If, counting pipeline, the total program is around \$12 billion—a figure presented the House—what is being asked for management is considerably less than one-half of 1 percent of what must be managed.

Surely this is well in line with other administrative costs, and I would hope the Senate conferees are able to so convince our friends in the House.

**UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE**

Mr. HUMPHREY. Mr. President, I should like to have the attention of the Members of the Senate. In discussing this matter with certain Members of the Senate, it appears to be very desirable that we come to an agreement as to the hour at which the Senate will vote on the passage of the foreign aid bill.

I ask unanimous consent that the vote on the passage of the foreign aid bill be at 3 p.m.

Mr. JAVITS. Mr. President, reserving the right to object, this is all very well, but one Member could obtain the floor and keep it until 3 p.m. Therefore, I suggest that the Senator amend his request to allow for 2 hours of general debate on the bill, with 1 hour being controlled by one side and 1 hour by the other side, those who oppose the bill and those who favor the bill. Then Senators will all know that they can speak on the bill.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that beginning at the hour of 1 p.m., with the vote to come at 3 p.m., there be 2 hours of debate on the bill, the time to be equally divided between the proponents and the opponents.

Mr. JAVITS. Reserving the right to object—

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. JAVITS. I shall want at least 10 minutes to speak on the bill. I should like to stipulate that now and, if more time is needed, let us get it.

Mr. HUMPHREY. There will be plenty of time.

The VICE PRESIDENT. Is there objection to waiving a quorum call? The Chair hears none, and it is so ordered.

Is there objection to the unanimous consent request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. I ask unanimous consent that the time be controlled by the majority leader and the minority leader.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HICKENLOOPER. I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, before we get off the main body of the debate, I should like to call attention to the fact that it is claimed that AID is not taking

full advantage of the extended risk authority in the foreign aid bill, except for one housing loan which was recently placed under such guarantees.

The use of such guarantees, whenever possible, in place of public grants or loans would be a definite step in the direction of enlisting the private sector in the Alliance for Progress program, as well as in the international development program in general. It would carry out the intent of my amendment to section 601 of the Foreign Assistance Act in 1961 and the intent of my amendment to the new Alliance for Progress title (sec. 251 (f), title VI of the Foreign Assistance Act of 1962) both of which amendments were designed to stimulate the greater use of the private sector in meeting the foreign economic policy objectives of the United States.

When I moved to increase the aggregate amount of the all-risk guarantees, and the aggregate amount of the individual guarantees, it was with the intention of seeing the authority used, so that private enterprise investment might replace some public investment.

I should like to point out that even development loan funds are now made available to private investment. While I understand that a number of requests are pending, and I do not wish to urge AID to make any improvident loans, I feel very strongly that every effort should be made to give these guarantees, and actually to use the authority, as this is the way in which we can bring about the greatest effectiveness in our foreign aid program and to minimize, as far as possible, public investment.

Mr. HICKENLOOPER. Mr. President, I wish to discuss for a few minutes a subject which I think is of vital importance to the United States, to our foreign policy, and to our relations with other countries. As I view it, it is the attitude of our Government toward the expropriation or seizure of American property in foreign countries. Repeated instances of expropriation have arisen, specifically, instances which occurred early this year; namely, a couple of expropriations in Brazil, some expropriations in Ceylon, some threatened expropriations in other places, and a general beginning of a wave of seizure of American property by foreign governments without adequate purpose or sufficient payment of the property. This action has aroused the indignation of many Members of Congress.

It has always been my concept that one of the duties of the U.S. Government is to protect the reasonable, fair, equitable rights of American citizens abroad. I submit that that is not being done, that it has been neglected, and that American citizens and their property are being discriminated against. Not only is their property being seized in certain countries without adequate, fair compensation, but the State Department and the administration are not exercising vigorous care or attention to see to it that the traditional protection given to their rights—not the unusual or extraordinary territorial rights, but merely the basic rights of American citizens abroad—is being afforded American citizens.

Early this year, when the Foreign Assistance Authorization Act of 1961 was before the Senate for consideration, I filed with the Committee on Foreign Relations, for the reference of the Senate, an amendment which sought to reach this situation. There had been two expropriations in Brazil. No real provision had been made to pay for the seizure of that property. Other expropriations were threatened. Bills were introduced in the legislatures of a number of countries throughout the world providing for the expropriation and seizure of foreign property under various types and kinds of alleged payment, most of which were long-term bonds of questionable value and having no certainty of convertibility. In effect, this action merely amounted to expropriation and seizure of the property.

There are other countries where unfair and inequitable tax exactions or other business requirements were placed upon American nationals doing business in those countries, requirements which were not applied to the nationals of the countries.

In many nations throughout the world the U.S. citizens were being put upon. They were being treated without equity as compared with the nationals of those countries. Americans were being discouraged in their business operations.

Meanwhile, there was lip service from the U.S. Government. It was said that we were encouraging American investment abroad and were exporting American know-how. At the same time the basic interests of Americans abroad were not being protected.

The amendment to which I refer, which was considered by the Committee on Foreign Relations, provided that the United States would not attempt to control the sovereignty of any nation in the expropriation of property for public convenience as that nation saw it, or for the exercise of eminent domain, which we recognize as a sovereign power of a sovereign government. The amendment provided, in effect, that when any nation seized the property of an American citizen or imposed exactions by way of regulations or taxes upon Americans doing business abroad that were not equitably applied to all people in that country, the United States would withhold foreign aid from that country; and the President was directed to withhold foreign aid. We did not seek to dictate the sovereign rights of any country; but we reserved the right, under the amendment, to say what we would do with our money if foreign countries abused American citizens by denying them their rights.

The State Department raised all kinds of objections. They wrote memoranda; they appeared before the committee; they said, in effect, "We will protect American rights. Please do not write any such laws. Some of the countries will take offense at us and will not take our money."

The committee held a hearing, and considerable influence was brought to bear by administration sources to soften the amendment. The amendment provided that the Foreign Claims Settle-

ment Commission of the United States, which has had a long history of surveying foreign values, has the legal machinery to determine the reasonable value of American property seized abroad. If a foreign country did not wish to accept the findings of the Foreign Claims Settlement Commission as to the facts and pay the claim in convertible currency—not in so-called bonds of questionable value or in long-deferred payments that could be subject to deception in one way or another, according to strange manipulations of foreign governments, then we would withdraw our aid. It was our view that if a foreign country wished to take American property, they should pay for it; but that if they did not want to pay for it, we would withdraw our aid.

Mr. President, I ask unanimous consent to have the proposed amendment to the Foreign Assistance Act of 1961 printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

(d) At the end of section 620 add the following new subsection:

"(e) (1) Notwithstanding any other provision of law, no assistance shall be furnished under this Act to any government or to any political subdivision or agency of such government, if such government or any political subdivision or agency thereof (A) has heretofore expropriated, nationalized, or otherwise acquired the ownership or control, or hereafter expropriates, nationalizes or otherwise acquires the ownership or control, of any property owned directly or indirectly by any national of the United States, without providing immediate and effective compensation to such national as required by international law, justice, and equity and as determined, within ninety days of seizure or within forty-five days of the date of enactment of this subsection, whichever is later, by the Foreign Claims Settlement Commission, or (B) imposes upon such property discriminatory taxes or other exactions, or restrictive maintenance or operational conditions not imposed or enforced with respect to property of a like nature owned or operated by its own nationals or the nationals of any government other than the Government of the United States.

"(2) For the purposes of this subsection the term 'national of the United States' shall have the same meaning as that term is defined in section 301(2) of the International Claims Settlement Act of 1949, as amended.

"(3) The Foreign Claims Settlement Commission of the United States shall have exclusive jurisdiction to determine the extent and amounts of any losses sustained by a national of the United States for the purposes of this subsection. For the purpose of such determination, the Commission may exercise to the extent consistent with the purposes of this subsection, the powers conferred upon it by the provisions of the International Claims Settlement Act of 1949, as amended.

"(4) The appropriation of such funds as may be necessary for the Foreign Claims Settlement Commission of the United States to carry out its functions under this subsection is hereby authorized.

"(5) No other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection."

Mr. HICKENLOOPER. Mr. President, the amendment was not adopted. It was modified. It went to the House. The House further modified it. Eventually, after the conference report was

adopted, we ended with a provision in the Foreign Assistance Act of 1962, section 620(e).

Mr. SALTONSTALL. Mr. President, will the Senator from Iowa yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Iowa yield to the Senator from Massachusetts?

Mr. HICKENLOOPER. I yield.

Mr. SALTONSTALL. I think it very important to emphasize the last four lines of that provision, as follows:

Such suspension shall continue until he—

That is to say, the President—is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

I think that is very important.

Mr. HICKENLOOPER. It is very important, indeed; and I thank the Senator from Massachusetts.

Mr. President, I think perhaps I had better read this provision into the RECORD, so that Senators can understand just what this provision is. It is an addition to the Foreign Assistance Act of 1962. Section 620(e) of the Foreign Assistance Act of 1962 reads as follows:

(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—

(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency, or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

That is what was written into the law by Congress.

As I stated a while ago, the ink on that act is scarcely dry; but today I am persuaded that this provision of law, which was written in by Congress, and the declaration of Congress which was made as a result of this provision, are being disregarded by the State Department, and the spirit of the law is not being put into effect. For some reason, which I do not know, this provision is being soft pedaled.

Mr. SALTONSTALL. Mr. President, will the Senator from Iowa yield again to me?

Mr. HICKENLOOPER. I yield.

Mr. SALTONSTALL. Does the Senator from Iowa—whose amendment this is—interpret the amendment to mean that the President must withhold our aid from any country, even though a subdivision or agency of the government of that country, rather than that country itself, expropriates the property and does not make prompt payment for it? In other words, if a subdivision of such a government were to take such expropriation action and if it failed to make appropriate payment, is the President prohibited from giving our aid to that country as a whole?

Mr. HICKENLOOPER. That is correct; in such event, our aid to that country should be stopped.

The point is that we were forced—as often is required by legislative procedure—to compromise somewhat from my original amendment, which I thought was air tight and would not permit any escape. We were forced to compromise somewhat; and apparently the difficulty arises from the last paragraph of the law which was enacted—section 620(e) of the Foreign Assistance Act of 1962—at the point where it reads: "and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps."

At the time when we adopted that language, I pointed out that those were weasel words, and that they left the gate wide open for the Executive or the State Department to say that the steps were reasonable or were appropriate, or to say that the time was reasonable—in other words, that there could be endless delay without making these countries come up to the till and lay the money on the line, if they were going to seize American property.

Mr. President, I think that is what has happened, and I shall state why I think so. I am not talking now about expropriation proceedings already going on, those which have not yet been settled in Brazil, or those which have not necessarily been settled in Ceylon, nor am I talking about other countries in which there is still the threat of the seizure of American property. Sometime ago I learned that a bill before the Honduras Legislature provided for the establishment of an agency or commission which would have the right to seize and take over foreign property in Honduras, but with no specified method of payment, except as the commission might determine, and that there would be no appeal to the courts from the action taken by the commission, or no appeal from the commission's decision. In short, the commission could do as it pleased, and could fix such payment, or even a specious payment, as it might wish to fix; and it has openly announced that its purpose is to seize American property in Honduras. The officials have stated that sometime it will get around to issuing some sort of bonds, payable at some distant time in the future, but that in the meantime Americans or American companies will lose their property.

The reason why I say I wonder how much attention is being paid by the responsible U.S. officials whose duty it is to see to it that U.S. citizens' property is given equitable treatment, is that 2 weeks ago or so I called the State Department and asked about this matter. I received a vague reply to the effect that something was being considered, but nothing was being done in Honduras.

A few days later I called and said, "I understand that the law has been passed in Honduras."

The reply was, "If it has been, we don't know anything about it."

Later I called again; and then the reply was, "We assume the law was passed, but we understand they will not be as hard on foreign property as the law might permit them to be."

On September 20, I asked the acting chairman of the Senate Foreign Relations Committee to send a letter to the State Department, because I had also heard indirectly—and I believe it to be a fact, although I cannot allege it, because I was not present when the conversations took place; but I heard it from sources which I believe to be accurate—that specific instructions had gone from our State Department, to our representatives abroad, to soft pedal this amendment, and not to emphasize it to foreign governments, because it might disturb our relationships; and our people abroad were told to be careful about what they said to foreign governments about their responsibility under this amendment.

Mr. SALTONSTALL. Mr. President, will the Senator from Iowa yield again to me?

Mr. HICKENLOOPER. I yield.

Mr. SALTONSTALL. I point out that the property in Honduras belongs to one of the best companies in Massachusetts, the United Fruit Co. Not only does the institute or commission have the right, as I understand, to make such a decision, without the right of appeal, and to establish the amount to be paid, but I also understand that it is stated that this matter would be handled under the principles of the OAS, in order to help carry out the intention in connection with the OAS—although in my opinion it would be directly contrary to the purpose of the OAS, as I understand it.

Mr. HICKENLOOPER. I agree with the Senator from Massachusetts. Furthermore, in addition to the United Fruit Co., a number of other companies are involved.

At this point I shall refer to the United Fruit Co. I know every Senator wishes to have equitable and proper treatment accorded his constituents. Furthermore, in this connection it is important to note that the United Fruit Co. has done in Honduras many things which no other company has done.

It has established schools. It has established hospitals. It has brought about the highest wage scales in the country. It has brought about better living conditions. United States companies have done more for the countries where they operate than the local governments have even approached doing for their own countries, but the property

of the various countries is proposed to be seized under laws which we knew about, but apparently which we did nothing to attempt to stop. When I say "stop," I mean that we still recognize the right of sovereignty, but we did nothing to attempt to see that fair payment was made for the property seized. That is the point involved.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MORSE. Is it the understanding of the Senator from Iowa that the bill has already passed the Honduran Parliament?

Mr. HICKENLOOPER. On last Sunday, day before yesterday, with a great deal of ceremony in Honduras, the bill was signed—

Mr. MORSE. By the President?

Mr. HICKENLOOPER. Signed by the President, and there was a great deal of speechmaking to the effect that they are going to take this property now and it will belong to the Hondurans. Apparently one of the major speechmakers at that time had just recently returned from Castro's Cuba and he spoke of the great day on which the land of Honduras is being returned to the Hondurans.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. HICKENLOOPER. In just a moment. On yesterday I called the State Department again and I said, "I understand the bill has been signed down there." The person to whom I spoke said, "Well, we did not know it, if it had been." I received a call at 2 o'clock in which I was told, "Well, we called the Ambassador down there and we learn it was signed yesterday."

I knew it before that. Apparently the State Department did not know about it. There is something rather mysterious about the whole thing.

Mr. MORSE. Does the Senator know of any official protest on the part of the State Department to the Honduras Government in opposition to the passage of that bill?

Mr. HICKENLOOPER. I know of no vigorous protest. Furthermore, I know of no vigorous calling to the attention of the Honduran Government prior to the contemplated action as far as concerns the possible results which might flow under the law which passed here.

Mr. MORSE. Will the Senator yield for another question?

Mr. HICKENLOOPER. I think the facts show that a perfunctory report was made to the Honduran Government of the action in the foreign aid bill. I am now talking about going in and saying, "This is the policy which has been written, and I want you to know we must stand behind the legislative policy written by the Congress of the United States." I do not think it went that far. I think perfunctory information was given on it.

I also have information, as I stated, that our people were told to soft pedal it, not to emphasize it.

Mr. MORSE. Would the Senator from Iowa, who is the ranking Republican member of the Subcommittee on Latin American Affairs of the Committee on Foreign Relations, of which subcommi-

tee I am privileged to be chairman, join with me in an official request to the Secretary of State to file forthwith with the subcommittee a detailed report on whatever action the State Department has taken with respect to the events leading up to the passage of the bill in Honduras?

Mr. HICKENLOOPER. On September 20 I requested the acting chairman of the Foreign Relations Committee to do exactly that. No reply was received until about 2 hours ago, when this great sheaf of papers arrived. I have not had time to examine all the papers. They have been in the process of being examined in the last hour and a half. Up to now I have not been able to find any real vigorous representation protesting the action. It was not even a "positively maybe" operation. But there is a report on the happenings.

Mr. MORSE. It is my understanding that the report does not cover the point I am raising—as to the record of the protest of the State Department in regard to the passage of the bill.

Mr. HICKENLOOPER. I have not had time to show these papers to the Senator, but the Senator from Oregon has access to them.

Mr. MORSE. I will renew my request to the Senator from Iowa later if I understand the nature of the report to be as indicated, because I do not intend to let the State Department just brush this one under the rug.

I call to the attention of the Senator from Iowa that we have been privileged for the last several days to have the galleries loaded with representatives of the State Department and the Pentagon Building as we have debated the foreign aid bill, but the galleries have been emptied of the legislative representative sections of the State Department and the Pentagon Building. I think they have one or two representing each department now, instead of the 15 or 20 who have been present during the last several days. They had due notice that we were going to discuss the Honduras matter. I can understand why they cannot "take it." They have had such an unfortunate attitude with regard to this matter that they just cannot take the criticism. But they are going to have to take the criticism and to answer for their course of conduct in the hearings the committee has officially approved, and which the subcommittee will start this fall regarding what I consider to be the bad record the State Department has been making with regard to the whole Alliance for Progress program, of which this is, as I shall show, an integral part.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks the following:

A copy of a telegram under date of September 17, 1962, 7:39 p.m., from Mr. Thomas E. Sunderland, president, United Fruit Co., to the Honorable Edward M. Martin, Assistant Secretary of State, who happens to be in charge of Latin American affairs.

A copy of a telegram from Mr. Sunderland to Assistant Secretary Martin, dated September 18, 1962, 11:40 a.m.

A copy of another telegram from Mr. Sunderland to Assistant Secretary Martin, under date of September 18, 1962, 12:44 p.m.

A telegram to me, under date of October 1, timed 2:30 p.m., from Victor C. Folsom, vice president, United Fruit Co.

Another telegram to me, dated October 1, 1962, timed 3:11 p.m., from Mr. Folsom, vice president, United Fruit Co.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HICKENLOOPER. These communications set forth the activity and the vital concern of these people in the seizure of their property, and indicate their concern with the inaction or failure to get something done.

I shall conclude my statement, and then yield to Senators.

I conclude by saying that, as I tried to point out, and as other Senators tried to point out when the bill was considered earlier in the year, the success of expropriation in one country will stimulate expropriation in other countries by dissident groups. The success of expropriation in Ceylon and in Brazil will stimulate expropriation in other countries. Now it is coming in Honduras, and Panama is also threatening expropriation. There are bills in the legislatures of Chile and Peru—to do what? To seize American property.

Mr. LAUSCHE. It began in Cuba.

Mr. HICKENLOOPER. People in those countries are pointing to the success Castro had in Cuba in seizing American property.

I sat in Bogotá at a conference with a Cuban representative, still in the OAS organization at that time, a year ago, who said to the Latin American countries, "If you need help, do what we did. You have \$10 billion worth of American property investments in Latin America. Take it. That is the way to get your money. Take American property in those countries."

The Cuban representative advised them to do that, and I wonder if some of those countries are not taking the advice of the Cuban representative.

If our State Department and the administration supinely do not protest, if they do not protect the equitable and fair right of American citizens, all this property may be lost. We are not talking about unfair claims of rights, or rights which some owners might wish to claim which are unjust. We are talking about fair and equitable rights of American people abroad. That is the issue.

The law is sufficient. The law which is already on the books is sufficient, if there is an intention on the part of the administration to implement the law in good faith. That is the whole burden of my discussion.

#### EXHIBIT 1

BOSTON, September 7, 1962.

The Honorable EDWIN M. MARTIN,  
Assistant Secretary of State,  
Department of State,  
Washington, D.C.:

As you know we have tried to reach you by phone today. We have asked Mr. Baker of our Washington office to return to you the letter of September 12, 1962, which Victor C. Folsom wrote to you under

that date because I want to make clear that I approved that letter and also we feel that the statements therein contained factual information which you will want in your official Department files. You will recall that this is the letter the original of which you returned to us today. Events today indicate the situation in Honduras is getting more serious with the passage of time. Despite assurances by the President in the presence of the American Ambassador that copy of the proposed law would be shown us today, Government officials have now declined to show us the proposed law. Apparently American Ambassador does not have copy of this proposed law although we understand that he has requested a copy. We urgently need action by State Department through American Ambassador to get copy of this proposed law before it is too late to take action to protect American interests. Responsible officials of ours now in Honduras continue to have the impression that Honduran officials believe this so-called agrarian reform law either has the tacit approval of the United States or that in any event the United States does not object strenuously to its passage. Imperative that you correct this misimpression on the part of officials of Honduras, otherwise American property apparently will be subject to expropriation without normal judicial and constitutional protection and without any prompt adequate and effective compensation. We have attempted to point out provisions of the Hickenlooper amendment but our representatives in Honduras have been unable to find that the Honduran Government has been advised as to the seriousness of this portion of our law. Appreciate the difficulties under which you are working and know of your desire to protect American investment abroad. We hope that this telegram and previous letters from Victor Folsom supplementing what you are getting from your Ambassador will help you to take the necessary action which I am sure the Department desires under circumstances of this kind.

THOMAS E. SUNDERLAND,  
President, United Fruit Co.

Boston, September 18, 1962.  
The Honorable EDWIN M. MARTIN,  
Assistant Secretary of State,  
Department of State,  
Washington, D.C.:

Supplementing my telegram of yesterday our representatives met yesterday with acting charge of affairs in Panama and were told by him that the U.S. Embassy there has not, repeat not, called to the attention of the Government of Panama the existence of the Hickenlooper amendment to the 1962 Aid Act and the fact that the proposed agrarian code would be inconsistent with said amendment. Our company representatives also were told that the U.S. Embassy had received specific instructions not to make representations to the Government of Panama based upon the Hickenlooper amendment. Our representatives believe that failure to make appropriate representations to the Government of Panama leads Panamanian officials to believe that the proposed law has the approval of the U.S. Government. Urgently necessary that misimpression of Panamanian officials be corrected immediately because, as you know, the Panamanian Congress is scheduled to commence the third and final reading of the proposed law today. Hope this information will help you to take the effective action to protect American investments abroad which I know you and State Department desire under these circumstances.

THOMAS E. SUNDERLAND,  
President, United Fruit Co.

Boston, September 18, 1962.

The Honorable EDWIN M. MARTIN,  
Assistant Secretary of State,  
Department of State, Washington, D.C.:

Supplementing my telegrams of yesterday and today, our representatives have been informed by the Embassy in Honduras that the U.S. Embassy there has not even called to the attention of the Government of Honduras the existence of the Hickenlooper amendment to the 1962 Aid Act and the fact that the proposed agrarian law would be inconsistent with said amendment. Our representatives also were told that the U.S. Embassy had received instructions not to make representations to the Government of Honduras based upon the Hickenlooper amendment, because it would be premature. As you know, matter is most urgent as bill may become law unless the misimpression that the U.S. Government approves the proposed law is corrected.

THOMAS E. SUNDERLAND,  
President, United Fruit Co.

OCTOBER 1, 1962.

Hon. BOURKE B. HICKENLOOPER,  
Senate Building,  
Washington, D.C.:

Yesterday the President of Honduras signed so called agrarian reform law but did not repeat nor issue statement regarding modifications of law but on the contrary made speech praising the law. We had understood from State Department that President was to issue statement pointing out that it would be necessary to amend the law to make it consistent with Alliance for Progress program and international law. Now that law adopted and held up as being praiseworthy and in accordance with the Alliance for Progress program it will be very difficult to secure its modification. Therefore State Department solutions appears highly improbable.

VICTOR C. FOLSOM,  
Vice President, United Fruit Co.

OCTOBER 1, 1962.

Hon. BOURKE B. HICKENLOOPER,  
Senate Building,  
Washington, D.C.:

I have sent following message to Assistant Secretary of State Martin:

"Thank you for your message of September 30, and your promise to send us a copy of the so-called agrarian reform law signed by the President of Honduras yesterday. Reference your point 1 you must recognize how difficult it is for us to comment on laws the exact text of which we have not yet seen. The clear implication given Members of Congress from the memorandum delivered to them was that the State Department had the law and had carefully examined it at the time the memorandum was written. Reference point 2 new law by its terms gives agrarian reform institute overriding powers not subject to normal constitutional guarantees and access to the courts and we know of no legal opinion in Honduras which disagrees with this point of view. Reference point 3 we are advised by the American Ambassador that no representations were made by him regarding the Hickenlooper amendment prior to September 11 or 12 after passage of law but that he could not say that the State Department might have done. We have checked with Honduran Ambassador and he did not receive any representations regarding Hickenlooper amendment prior to September 12. Reference point 5 confiscatory taxation provided for in articles 63-65 makes 'voluntary expropriation' anything but voluntary. Provisions obviously call for forced transfer without the payment of prompt, adequate and effective compensation and this is confiscation. Reference point 7 cannot understand your statement that no defensible analogy can be

made between this program and Communist agrarian reform particularly since you state that you have not read the 'exposición de motivos' or statement of purposes attached to the law. The President of Honduras signed the law yesterday without making any statement whatsoever regarding its future amendment to eliminate the conflict of its provisions with the Constitution of Honduras and international law. We had understood that the President would make such a statement at the time the law was signed."

VICTOR C. FOLSOM,  
Vice President, United Fruit Co.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to invite the Senator's attention to the language on pages 22 and 23 of the report on the foreign aid and related agencies appropriation bill, 1963. On page 22, the section which was inserted in the Foreign Assistance Act of 1962 by the Senator from Iowa is stated in full. At the end of that section are these words, inserted in the committee report on my motion:

The committee recommends that a most strict interpretation be given to this section of the act. The degree of effectiveness of this section, particularly as to expropriation of property owned by U.S. citizens, is directly related to the degree of strictness of interpretation and application of its terms to any country receiving assistance under this act.

That language was inserted by the committee to carry out to the best of the ability of the committee the purpose of the Senator's amendment. Does the Senator agree?

Mr. HICKENLOOPER. I thank the Senator from Massachusetts. The Senator is very modest. I know that he was the author of that language and the committee accepted and agreed to it and put it into the report.

I thank the Senator for bringing the language to our attention. That would strengthen the implementation of the law.

Mr. SALTONSTALL. That is what the Senator wishes to do, is it not? That is the purpose of the Senator's speech?

Mr. HICKENLOOPER. Exactly. I ask only for a good faith enforcement of the law passed by the Congress in the interest of equity to American property abroad.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Ohio.

Mr. LAUSCHE. I should like to relate a bit of the background leading up to this discussion of foreign nations confiscating without due compensation property of U.S. citizens.

In the Committee on Foreign Relations the subject of Cuba came up for discussion. It was then pointed out that the confiscation which was tolerated in Cuba in all probability would lead to confiscation of property in Brazil. It was further pointed out in the Committee on Foreign Relations, and especially by the Senator from Iowa, that the sufferance of what happened in Cuba brought on what hap-

pened in Brazil and, following what happened in Brazil, what happened in Ceylon. Bolivia was then discussing confiscation. Now Honduras is doing so.

Mr. President, it cannot be escaped that the supine acceptance of one grave offense gives encouragement to all other nations around the world that they can proceed in the fashion of Cuba and Brazil to confiscate American property without fear.

What disturbs me is that in the Committee on Foreign Relations, when minds were in agreement about the need to forbid the granting of foreign aid to countries which confiscated American property without compensation, we had difficulty in procuring the approval of the State Department to the ultimate language which was to be used.

Mr. HICKENLOOPER. The Senator is correct.

Mr. LAUSCHE. With that difficulty in mind, we now have difficulty in procuring a compliance with the language which was finally agreed upon as a compromise.

Mr. HICKENLOOPER. It is inconceivable to me that we cannot get compliance by the administrative branch of this Government with the law and the intent of the law which the Congress passed, but I am sorry to say there is foot dragging some place which prevents the operation of the law in its full vigor.

Mr. LAUSCHE. We have been pushed around in Laos and in Vietnam, and by the building of the wall in Berlin. We have been pushed around in the Congo. We are now being pushed around by international law being violated. Our sovereignty and our honor are being insulted by this confiscation of property throughout the world.

If it were at an end now, I would say we probably could suffer through it, but it is foolish to think it is ending now. What has happened will give added encouragement to other nations to confiscate our property.

We have been pushed and pushed. We have retreated and retreated. Our honor has been assaulted. I do not know where it will stop. I know the problem gets worse each day.

The law prohibiting aid to countries guilty of expropriating property of U.S. citizens without compensation has been written. The State Department officials must abide by it, and for compliance, the Congress should voice its vigorous demand.

Mr. MORSE. Mr. President, I compliment the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Massachusetts [Mr. SALTONSTALL] for the position they have taken in opposition to the proposed course of action by Honduras in regard to expropriating American property in Honduras.

I ask unanimous consent to have printed in the RECORD at this point the section of the existing law previously referred to by the Senator from Iowa, section 620(e) of the Foreign Assistance Act of 1962.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—

(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned.

and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

Mr. MORSE. Mr. President, I call particular attention to the last four lines of that law as referred to by the Senator from Massachusetts:

Such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

The State Department knew that that was a part of the law. As chairman of the Subcommittee on Latin American Affairs, I am keenly disappointed that the State Department has not taken a more adamant and persistent attitude in regard to what they knew was the plan of Honduras to enact the kind of law that was referred to by both the Senator from Iowa and the Senator from Massachusetts. The law enacted by the Honduras Parliament and signed by the President in recent days becomes meaningless so far as concerns giving any assurance to American property owners in Honduras that they will receive just compensation for property seized.

There is no question that the Government of Honduras has a sovereign power to expropriate the property of the United Fruit Co. or any other American investor in Honduras. I am not at all concerned with any controversy that may exist between the United Fruit Co. and the Honduras Government in regard to past differences.

But I am concerned with the question of U.S. sovereignty. We have the sovereign duty to protect our investors abroad. When we cooperate with our investors and when we urge them to invest in Latin American countries, as we have done time and time again, and when we have urged foreign governments to offer them such terms and con-

ditions as will encourage them to invest in a foreign country, I say that a relationship is developed between the U.S. Government and the foreign government that imposes upon each the duty and the obligation to see to it that foreign investors, be they U.S. investors, British, Dutch, Canadian, or any other, receive fair compensation for their property when a foreign sovereign decides to seize and expropriate all property.

It is not happening in Honduras. It is as simple as that. The Senator from Iowa pointed out that it is contemplated that some script or bond or paper may be offered in payment for this property. Mr. President, there is only one compensation that means anything, and that is hard, cold American dollars.

This was the discussion that took place in the Foreign Relations Committee, which was alluded to by the Senator from Iowa and the Senator from Ohio.

I opposed the Hickenlooper amendment in the Foreign Relations Committee, as the Senator from Iowa will testify. I felt it went too far. I offered a substitute. The Morse substitute was adopted in the Foreign Relations Committee. It was a substitute that set out a procedure which gave assurance that if there could not be a settlement through diplomatic channels and negotiations within 6 months, the dispute would go to arbitration. That was the basis of the Morse proposal in the Foreign Relations Committee. It was adopted by the Senate. It was made a part of the language which was approved by the Senate. It went to conference. In conference, it was modified in accordance with the language that we put in the bill as section 620(e) of the Foreign Assistance Act.

However, this language was retained:

\* \* \* such country, government agency, or government subdivision fails within a reasonable time (not more than 6 months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law—

There is nothing in the Honduras law that gives the United Fruit Co. or any other investor in Honduras any assurance that it will get payment in convertible foreign exchange.

In fact, it is perfectly clear from a reading of the law that they are not going to give any, and the American investors are not going to get any.

Therefore, I believe that our Government has an obligation to make clear to Honduras that there is something they are not going to get, and that is foreign aid, until they pay in convertible foreign exchange for American property.

Without reading it, I ask unanimous consent to insert at this point in my speech the statement in the committee report on the nationalization of property of U.S. citizens.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

#### NATIONALIZATION OF PROPERTY OF U.S. CITIZENS

Section 620(e) of the Foreign Assistance Act of 1962 reads as follows:

(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—

(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

The committee recommends that a most strict interpretation be given to this section of the act. The degree of effectiveness of this section, particularly as to expropriation of property owned by U.S. citizens, is directly related to the degree of strictness of interpretation and application of its terms to any country receiving assistance under this act.

Mr. MORSE. I call particular attention to the last paragraph of that statement, which calls upon the President to make the most strict interpretation of the law, and makes perfectly clear by very strong language that foreign aid is not to go to a country which violates the spirit, intent, and purpose of section 620(e).

I hope the Government of Honduras will take note, and that other Latin American countries will take note. I serve notice today that, although I opposed the more drastic form of the Hickenlooper amendment in committee on expropriation, next year I will support even stronger language, if we are to be faced with this kind of evasion of the purpose which, in my judgment, Honduras is on the road to committing.

We must make clear to American investors that if there is a seizure of their property they will get fair compensation. If they do not get fair compensation, we do not propose to take American tax dollars and pour them into any country by way of foreign aid, so that they will in effect get a double take—the property of American investors and the taxpayers' money.

What kind of prestige and respect does that build up for the United States in Latin American countries, or anywhere else in the world?

Today I associate myself with the Senator from Iowa and the Senator from Massachusetts in protest of the course of action that Honduras is following in this case.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HICKENLOOPER. The modification which the Senator from Oregon offered, to my mind, was finally accepted by the Committee on Foreign Relations because it probably was an orderly procedural method of approaching this problem, and brought into play arbitration or mediation forces under international law, which would be a desirable end to achieve. I believe the committee thought that the modification was sound. I am sure no member of the committee thought that the amendment, as it was finally adopted, would be flouted by any American official.

Mr. MORSE. I agree with the Senator.

Mr. HICKENLOOPER. The committee did not conceive that it would be disregarded. If there were a good faith enforcement of or accession to that provision of law, and if it were vigorously adhered to in the interest of the rights of American citizens, we really would not need any more law than that.

Mr. MORSE. I agree.

Mr. HICKENLOOPER. It is the failure vigorously to sustain the provision of law that causes objection and points to a danger.

Mr. MORSE. I am in complete agreement with the Senator from Iowa. I thank the Senator from Colorado for his courtesy in permitting me to make these remarks.

Mr. ALLOTT. Mr. President, I wish to address myself to the remarks of the distinguished Senator from Iowa, the distinguished Senator from Oregon, the distinguished Senator from Massachusetts, and the distinguished Senator from Ohio. I address myself to the subject of expropriation, and note that there are other forms of expropriation other than outright expropriation.

In 1957, a group of people in my State bought the tramway buses of the city of Denver and sold them, after reconditioning them, to the city of São Paulo in Brazil. The total purchase price was somewhere in the neighborhood of a million dollars. They did not sell them to the city, as such; they sold them to a corporation, called the CMTC corporation, which is owned two-thirds by the city of São Paulo and one-third by the State of São Paulo. Here we are dealing not with the city or with the State, but rather with a corporation which is owned wholly by the city and the State. They have been using these buses constantly since that time, and are still using them. For 2 or 3 years they have been in default upon their payments. The people in Denver have no way of securing payment, because the city and the State own the corporation. Within the past 2 months a new agreement has been entered into, and the corporation is again in default; and roughly half of the amount is still owing. The debt is pay-

able through the U.S. Denver National Bank in Denver, as escrow agent.

However, even since they have entered into a new repayment schedule, to begin in August, as late as yesterday they claimed that they have made the payments due in August and in September, when in fact the Denver bank has still not received a single penny upon that contract.

Where do we find ourselves now? We find ourselves with a city and State owned corporation refusing to pay its debts to U.S. citizens, who sold them this property in good faith. There has never been a claim of any kind that the property was not good for the purposes for which it was intended. There has never been a claim of any breach of warranty. There has been a refusal to pay. Demands for payment have been made, and they have been met with the customary excuses that one always gets from bill dodgers: "I am going to get at that right away. You can expect to get a check next week. We are going to attend to it right away."

So even after they negotiated a new agreement about 2 months ago, they are in default, under the new agreement, on the payments due in August and September, installments which they now claim, to the State Department, they have paid. But they have not been paid and have not been deposited with the escrow agent in Denver. Thus there are all sorts and forms of expropriation.

I agree that a part of the sovereign right of any nation is to effect expropriation, if that is the nation's will. But it is also a part of our doctrine and understanding that no nation will effect expropriation without payment in an established currency which can be traded and utilized on the world market.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as background for our concern, subsection (e) of Public Law 87-565, dated August 1, 1962; and also, following that, the last paragraph of the report of the Committee on Appropriations on the Foreign Aid and Related Agencies Appropriation bill, 1963.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From Public Law 87-565]

(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—

(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later)

to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

[From Report on Foreign Assistance Appropriations, 1963]

The committee recommends that a most strict interpretation be given to this section of the act. The degree of effectiveness of this section, particularly as to expropriation of property owned by U.S. citizens, is directly related to the degree of strictness of interpretation and application of its terms to any country receiving assistance under this act.

Mr. ALLOTT. Mr. President, I think that what bothers all of us is this: If nations can expropriate, and if because the Government owns the corporations, as in the case of Brazil, which I have just cited, they can refuse to pay for property delivered, and being used we in America must determine how we shall act.

Although I have steadily supported foreign aid, and intend to vote for the bill this afternoon, I have been concerned for a long time that the State Department as a whole, not only under this administration, but also under the previous administration, has taken a very immature, unknowledgeable attitude toward countries we are trying to assist. I am concerned because the people in those countries have come to believe that the money we are sending to them in the form of foreign assistance is no longer something we are providing them of our own will, but rather something in which they have a right to share, namely, the prosperity of the United States. During my attendance at interparliamentary meetings and other similar meetings, I have heard this view expressed.

I do not believe that any foreign nation has a right to share in our prosperity or in our goods. If we wish to share our prosperity with them—and I have felt that I wish to do so—that is another thing. But no nation has a right to the wealth, the money, or the goods which the people of the United States have developed through hard work, imagination, initiative, courage, and brains, when other nations themselves are unwilling to exert the same qualities to raise the standards of their own countries.

At Punta del Este, the United States agreed to provide \$14 billion to Latin-America during the next 10 years. We contributed the first portion of that sum last year, and more will go into the Alianza para el Progreso this year.

I do not know how we can impress the State Department with the fact that in our constant help throughout the world, when other countries repeatedly and constantly kick us in the teeth, the rest

of the world can only regard us as weaklings, as vacillators, as a people who have lost their national purpose, when we have rewarded other nations after they have kicked us in the teeth by continuing to supply them with huge sums for their own advancement, to provide the basic, decent things that I believe all men are entitled to. As a Christian, I believe that I am my brother's keeper. Therefore, I am willing to devote a part of my taxes to the help of other countries; to bring to the poverty stricken countries, whose living conditions are beyond imagination, the basic rudiments of health, living standards, and education.

I may be uncultural, but I am not interested in sending art exhibits to African countries, as we have done. They are not interested in art exhibits. They are interested in the basic things which will help them to raise themselves a little off the ground.

The trouble with those who administer our foreign aid is that they think of helping those people by providing them with the same living standards which we enjoy. What matters television? What matters even radio stations? What matter bathtubs, when people are living in dire poverty, living on less than a thousand calories a day, subject to pellagra, and all the other tropical diseases? What do television sets mean in a situation like that?

Probably the death of a child in some forgotten Pacific archipelago is just as great a loss to its father and mother as would be the death of a child to parents in this country.

Our task—if we have a task—is to try to aim the aid at the level and the place where, in each country, it will place people in a position where they can achieve a little better living standard, a little better educational standard, and perhaps receive a little medicine. But how false we are to our own ideals when we blindly continue to spread our beneficence among people who will kick us in the teeth, because when we fail to react to those kicks, they only regard this big, strong Nation with all its defense power, all its wealth, as a weakling. I hope that somehow or other we may impress this concept upon the State Department and those who administer the foreign-aid program.

I endorse what other Senators have said in this respect. I think we must take a hard look at the situation. From this time forward, let no one make the mistake that we will dispense our aid and spend our money, to use a common expression, "like a drunken sailor on a Saturday night"; but that we will dispense aid to countries which at least recognize the principles of basic law which we recognize. I feel certain that Congress is of the mind that there will be no further aid to countries which practice expropriation against the United States.

Mr. MANSFIELD. Mr. President, I yield 10 minutes to the Senator from Virginia, under the time limitation which has been agreed to.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 10 minutes.

Mr. BYRD of Virginia. Mr. President, the Federal Government has spent U.S. taxpayers' money in postwar foreign aid for 17 years. It has spent a gross total of \$101 billion in some 100 countries around the world, since the end of World War II.

The President has estimated that another \$3.9 billion will be spent in so-called foreign aid in the current fiscal year; and this bill would give him the publicized \$4.4 billion more in spending authority; but this is not all the bill provides.

In addition to the \$4.4 billion, the bill would provide a total of \$2.4 billion more, as follows:

	Million
Peace Corps	\$64
Ryukyu Islands, administration	12
Cuban refugees	70
Migration and refugee assistance	17
Inter-American Development Bank	60
International Development Association	62
International Monetary Fund	2,000
Philippine war damage claims, including administrative expenses	74
International conferences and contingencies	1

When all of this money is included, the bill as it now stands before the Senate would provide a total of \$6.8 billion. The bill also authorizes the use of \$1.3 billion in Export-Import Bank debt authority, including \$750 million for so-called development project loans.

Unspent balances in previous foreign aid spending authority total more than \$17 billion, including \$10.1 billion in Export-Import Bank and International Bank balances. Enactment of this new \$6.8 billion would make nearly \$25 billion available for foreign aid spending.

In this connection, the House committee report on this bill said:

If the administration should spend at the same rate in subsequent fiscal year as it did in fiscal year 1962, when expenditures were \$3,198,100,000, there are sufficient funds on hand now from prior year appropriations to run the program for approximately 25 months without any appropriations for fiscal year 1963.

In view of the returns we are receiving, I oppose committing the United States to spend another \$25 billion in the kind of foreign aid which this country is now passing out; and I wish to be recorded as voting against this bill.

I would be the first to support assistance for people who have emergency need for food, clothing, and shelter. But it is certain that relief such as this is not the primary purpose of the projects to be financed with funds in the pending bill.

Unbelievable waste has been characteristic of U.S. foreign aid, for years. The little we know about the expenditures contemplated under this bill provides convincing evidence that the waste will be continued. But this is not the worst of it.

In most of this program we are providing money for the proverbial "pig in a poke." Chairman OTTO PASSMAN, of the House Subcommittee on Foreign Aid Appropriations, said—as shown by the CONGRESSIONAL RECORD of September 20, 1962—page 19032:

Agency witnesses told our subcommittee that they do not know the projects to which they are going to obligate funds until after they get the money.

Those in charge of the foreign-aid programs keep the projects secret, not only from the Congress and the people of the United States; Representative PASSMAN quoted one witness as saying recipient countries also are not told until the money is available.

After the money is spent, we find how irresponsible our foreign aid projects can be. We find ourselves looking silly, not only at home, but also in the eyes of the world, when we are confronted with authenticated reports of:

U.S. money being used to finance the cause of communism, when our foreign-aid materials were used in constructing a 500-bed hospital which generally was accepted as a showpiece of Russian foreign aid in Cambodia.

The \$14 million drought relief program which did not relieve; the \$2 million road that went nowhere; and the \$125,000 irrigation project which did not irrigate—all in Peru.

The machinery and equipment for a \$1,370,000 sawmill, in Iran, which was left standing on a beach, open and exposed to the weather, for more than a year.

The \$265,000 worth of dump trucks which could not be used in the Pakistan terrain where they were sent for a dam project. They stood idle while the earth-moving work was done by women with head baskets and burros.

Such reports of inexcusable waste in foreign-aid projects go on and on. The story of inefficiency among those who administer the foreign aid is told repeatedly in official audit reports which are published by the Comptroller General of the United States.

I have been generally opposed to so-called foreign aid since we changed its purpose from helping people in emergency need to providing multibillion-dollar blank checks for use by the State Department in ill-advised and nonproductive foreign relations.

There have been times when I was more sympathetic to the usefulness of so-called military assistance than I was for the useless economic aid programs. But again I quote from the statement by Representative PASSMAN—September 20, 1962, page 19032 of the CONGRESSIONAL RECORD. He said:

The military phase of the foreign aid program is not military in the sense that we think of our own Defense Establishment.

It is primarily a State Department military program through which military equipment is being provided to from 65 to 71 nations of the world; and much of it—yes, very much of it—is given to please or appease some potentate or some ruler of a newly created country.

This has been done to such an extent that many nations are now resentful—one of the most recent instances of this, which is still of a serious nature, being Thailand's protest again our supplying fighter planes to Cambodia.

All of this, of course, brings to mind the conversion of a U.S. airplane tender to be the flagship of the Ethiopian Navy. Ethiopia has an 800-mile coastline, and

the conversion cost the taxpayers of the United States \$3,100,000, plus the value of the ship. The conversion actually made the vessel a yacht for Haile Selassie. The staterooms were wallpapered in goldleaf. Then we trained 100 Norwegian men, who—in turn—were to train Ethiopian crews. It is doubtful that this kind of defense assistance is going to win many wars.

American taxpayers do not have money to waste like this. Foreign policy based on giveaway programs is essentially weak, not strong. As if we did not know it before, we have had 17 years' experience with foreign aid to prove that international friendship cannot be bought.

Foreign-aid programs, as we have developed them, have been controversial for years. Over the 17 years, no one has given foreign-aid appropriations closer study than has Representative PASSMAN. For this reason, I quote him again. On page 19031 of the RECORD of September 20 we find that he said:

The aid programs are not limited to so-called free nations. We are pouring the American taxpayers' wealth into dictatorships, so-called neutral nations, Communist-influenced nations, and Communist-dominated nations, and into outright Communist countries.

We have been giving our wealth and earnings for years to people who tax themselves

not at all, or at least at far lower rates than we pay in order to make gifts to them.

And many of these nations, which not only accept our gifts, but demand more, are no nearer now to self-support than when we started to pay their bills.

Representative PASSMAN made these statements when he was presenting this 1963 foreign-aid appropriation bill to the House of Representatives; and later in his statement—pages 19034–19035 of the CONGRESSIONAL RECORD for September 20, 1962—he said:

After much probing we have at last elicited the fact that during fiscal year 1963 we shall be giving or have given aid to 101 foreign nations. This is most of the free world, and some Communist and Communist-oriented nations are included.

I am concerned also with the large sums programmed for so-called neutralist or non-aligned nations. I think of the immense sums already committed and set aside for India, Indonesia and Ghana.

Should we not expect that these countries would at least support us on major issues before the United Nations? Yet, preponderantly their votes have been against our proposals.

It is clear that we live in the kind of a world where international friendship can not be bought with profligate expenditures abroad; and we can not buy off Communist pressure in cold or shooting wars. We had better spend our money for more useful purposes.

This Nation has been on deficit financing during 11 of the 17 years of the post-war foreign-aid programs, and since 1945 the Federal debt has been increased by more than \$40 billion. The debt now exceeds \$300 billion.

There will be another deficit this year, without tax reduction. This year's deficit is presently estimated at from \$3 to \$5 billion. This may be compared with \$3.9 billion which the President estimates he will spend for foreign aid during the year.

I regard reductions made by the House of Representatives in this bill as steps in the right direction. I shall support all amendments to restore the House levels; and in the end I shall vote against the bill, at whatever levels the appropriations may be.

In this statement I have referred to the fact that we have spent a gross total of \$101 billion for foreign aid, and I have said that unpended balances in prior year spending authorizations total more than \$17 billion.

I ask unanimous consent that the tables which show these figures be included in the RECORD at this point in my statement.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

*U.S. postwar foreign assistance, by type and major program, fiscal years 1946–63, showing cumulative gross grants, loans, etc., and repayments, fiscal years 1946–59 actual, and fiscal years 1961 and 1962 estimated, and including use of foreign currencies made available through sales of surplus agricultural commodities overseas*

[In millions]

	Foreign assistance—cumulative, July 1, 1945, through June 30, 1961 (actual)			Foreign assistance—cumulative, July 1, 1945, through June 30, 1962 (estimate)			Foreign assistance—cumulative, July 1, 1945, through June 30, 1963 (estimate)				
	Gross	Repayments and returns	Net	Fiscal year 1962 (estimate)	Gross	Repayments and returns	Net	Fiscal year 1963 (estimate)	Gross	Repayments and returns	Net
<b>Grants:</b>											
Military assistance:											
Mutual security and related programs	\$27,355	\$106	\$27,349	\$1,400	\$28,855	\$106	\$28,749	\$1,400	\$30,255	\$106	\$30,149
Special country programs	803		803		803		803		803		803
Lend-lease	679	189	490		679	189	490		679	189	490
Military equipment loans	163	13	150		163	13	150		163	13	150
Total, military grants	29,100	309	28,791	1,400	30,500	308	30,192	1,400	31,900	308	31,592
Economic and other assistance:											
Mutual security and related programs	25,169	1,046	24,123	1,402	26,571	1,046	25,525	1,361	27,932	1,046	26,886
Alliance for Progress				85	85		85	225	310		310
Under agricultural disposal programs:											
From foreign currencies—Public Law 480	403		403	200	603		603	250	853		853
Famine relief, etc.	702		702	205	907		907	300	1,207		1,207
Through private welfare agencies	1,158		1,158	1,158	1,158		1,158	1,158	1,158		1,158
Other (transportation)	169		169		169		169		169		169
Special country programs	1,256		1,256	1,256	1,256		1,256	1,256	1,256		1,256
Lend-lease (postwar pipelines)	1,227	554	673	1,227	554	4	673	1,227	554	4	673
Civilian supplies (GARIOA and Korea)	5,859		5,855	5,859	5,859		5,855	5,859	5,855		5,855
UNRRA, post-UNRRA, and interim aid	3,443		3,443	3,443	3,443		3,443	3,443	3,443		3,443
Other	332		332	332	332		332	332	332		332
Prior grants converted into credits	2,257		-2,257	-2,257	-2,257		-2,257	-2,257	-2,257		-2,257
Total, economic grants	37,462	1,604	35,858	1,892	39,353	1,604	37,749	2,136	41,489	1,604	39,885
Total, grants	66,562	1,912	64,650	3,292	69,853	1,912	67,941	3,536	73,389	1,912	71,477
Loans and credits, economic and other:											
Mutual security:											
Development loans	538	24	514	1,114	1,652	63	1,589	1,549	3,201	117	3,084
Other	2,886	364	2,521	80	2,966	399	2,567	56	3,022	439	2,583
Under agricultural disposal programs—Public Law 480	1,240	6	1,235	600	1,840	6	1,835	750	2,590	6	2,585
Export-Import Bank	7,016	3,779	3,287	900	7,916	4,670	3,246	800	8,716	5,470	3,246
British loan	3,750	436	3,314		3,750	490	3,260		3,750	545	3,205
Surplus property (including merchant ships)	1,492	891	601		1,492	891	601		1,491	891	601
Land-lapse	71	336	-265		71	336	-265		71	336	-265
Other	510	742	-232		510	742	-232		510	742	-232
Grants converted into credits	2,257	1,024	1,233		2,257	1,024	1,233		2,257	1,024	1,233
Total, loans and credits	19,759	7,602	12,157	2,694	22,454	8,620	13,833	3,155	25,608	9,570	16,038

*U.S. postwar foreign assistance, by type and major program, fiscal years 1946-63, showing cumulative gross grants, loans, etc., and repayments, fiscal years 1946-59 actual, and fiscal years 1961 and 1962 estimated, and including use of foreign currencies made available through sales of surplus agricultural commodities overseas—Continued*

[In millions]

	Foreign assistance—cumulative, July 1, 1945, through June 30, 1961 (actual)			Fiscal year 1962 (estimate)	Foreign assistance—cumulative, July 1, 1945, through June 30, 1962 (estimate)			Fiscal year 1963 (estimate)	Foreign assistance—cumulative, July 1, 1945, through June 30, 1963 (estimate)		
	Gross	Repayments and returns	Net		Gross	Repayments and returns	Net		Gross	Repayments and returns	Net
Other assistance through net accumulation of foreign currency claims; Balance of claims, not yet used or distributed by program above, accumulated through sales of surplus agricultural commodities primarily under Public Law 480.	\$2,954		\$2,954	\$200	\$3,154		\$3,154	\$200	\$3,354		\$3,354
Total, grants, credits, etc.	89,274	\$9,515	79,761	6,186	95,461	\$10,532	84,928	6,891	102,351	\$11,482	90,869
Subscriptions to international institutions:											
Inter-American Development Bank	80		80	110	190		190	60	250		250
International Bank for Reconstruction and Development	635		635	62	635		635	62	635		635
International Development Association	74		74	35	136		136	35	198		198
International Finance Corporation	35		35	4,125	4,125		4,125	4,125	35		35
International Monetary Fund	4,125		4,125						4,125		4,125
Total subscriptions	4,949		4,949	172	5,121		5,121	122	5,243		5,243
Grand total, postwar foreign assistance	94,224	9,515	84,710	6,358	100,582	10,532	90,049	7,013	107,594	11,482	96,112

*Balances, authorizations, etc., available for U.S. foreign aid programs under H.R. 13175, as reported by the Senate Appropriations Committee (Sept. 28, 1962)*

	Unexpended balances, June 30, 1962 (estimated)	Appropriations in H.R. 13175 as reported in the Senate	Total availability
Title I: Foreign aid (mutual security):			
Military assistance	\$2,791,500,000	\$1,450,000,000	\$4,241,500,000
Economic assistance:			
Development grants	438,500,000	275,000,000	713,500,000
Development loans	2,163,900,000	1,125,000,000	3,288,900,000
Alliance for Progress	518,400,000	575,000,000	1,093,400,000
Supporting assistance	457,600,000	400,000,000	857,600,000
Contingency fund	257,000,000	290,000,000	547,000,000
International organizations	70,400,000	148,900,000	219,300,000
Surveys of investment opportunities	1,500,000	1,000,000	2,500,000
Investment guarantees	236,899,000	100,000,000	336,899,000
American hospitals abroad (Poland)		2,800,000	2,800,000
Administrative expenses:			
Agency for International Development	9,900,000	52,000,000	61,900,000
Department of State	3,300,000	3,100,000	6,400,000
Subtotal, title I	6,948,899,000	4,422,800,000	11,371,699,000
Title II: Foreign aid (other):			
Peace Corps	10,238,000	63,750,000	82,988,000
Ryukyu Islands, administration	3,646,000	12,000,000	15,646,000
Cuban refugees	3,011,000	70,110,000	73,121,000
Migration and refugee assistance	5,548,000	16,677,000	22,135,000
Inter-American Development Bank	200,000,000	60,000,000	260,000,000
International Development Association	58,000,000	61,656,000	119,656,000
Subtotal, title II	289,353,000	284,193,000	573,546,000
Title III: Loans to International Monetary Fund		2,000,000,000	2,000,000,000
Title IV: Export-Import Bank of Washington	4,373,817,000	(1,298,000,000)	4,373,817,000
Title V: Miscellaneous agencies:			
Philippine war damages, claims, and expenses		73,560,000	73,560,000
International conferences and contingencies		849,000	849,000
Subtotal, title V		74,409,000	74,409,000
Other identifiable balances (exclusive of Public Law 480):			
International Bank for Reconstruction and Development	5,715,000,000		5,715,000,000
Total	17,327,069,000	6,781,402,000	24,108,471,000

Mr. JAVITS. Mr. President, how is the time being controlled?

Mr. MANSFIELD. It is divided, and the Senator from New York is in charge of the time available on his side.

Mr. JAVITS. Very well.

Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 10 minutes.

Mr. JAVITS. Mr. President, I desire to make a few remarks about the situation in Cuba.

First, I wish to refer to an editorial published today in the New York Times. The editorial refers to me and also to my junior colleague [Mr. KEATING], and imputes that I—at this time I shall not speak for my colleague [Mr. KEATING], who is perfectly able to speak for himself—is among those who are urging

President Kennedy to take unilateral action against Cuba which could easily lead to war.

Mr. President, I have been approached before on this theory by many well-meaning persons who have the interests of our country as much at heart as I do, but who apparently do not understand either precisely what I advocate or precisely what is at stake.

In commenting on what I advocate, let me say that apparently the editorial writer did not read the speech I made yesterday, although I am glad to say that it received excellent coverage in the New York Times. In that speech I pointed out that what we expect of the President is, not a commitment in regard to action of a unilateral character, but a sense of urgency. I pointed out that I am so thoroughly devoted to the bipartisan foreign policy of the United States that I would not seek in any sense to embarrass the President in the conduct of our foreign policy, once that decision had been made, and that the reason why I feel free to speak about Cuba is that the decision has not been made, but the President is engaged in what he calls close surveillance, through our forces, before determining what our policy is to be.

First, as to my own concept of our policy: I believe our ultimate objective must be to restore to the people of Cuba their rightful privilege of self-government and self-determination, which we are confident would mean the end of Castro, because communism, I believe, we are all convinced, does not represent the will of the people of Cuba or what they bargained for when Castro came to power. Castro came to power under no such announcement, but as a revolutionary who was seeking to end the tyranny which the people of Cuba had suffered at the hands of Batista and others.

How is that objective to be obtained? I have advocated, and advocate now, that

a sense of urgency dictates making the Organization of American States face its responsibility and face the issue, not by pleasant conversations but by deliberative meetings. The Inter-American Treaty of 1947 makes clear their responsibility.

If the effort is unsuccessful through that means—and all signs indicate it will be, though it must be done since this course of action is a condition precedent to any further course of action—then we next must seek the creation of a new inter-American defense organization in the Caribbean and Central America. There is every promise that it would be successful. Then that defense organization would take the action required in order to prevent the Communists from continuing to build up a military base in Cuba.

Third, in the same deliberate way, have the NATO powers face this issue, not in informal conversations, but at a council meeting, so that they, too, can face their responsibility.

Having done those things, the United States can then decide what will be its next course, again remembering our objective, which is to restore to the Cuban people self-determination and self-government and to prevent the Communist arms buildup there.

Let us remember one thing—and we must never forget it—we are not facing Castro; we are facing Khrushchev. If we understand that, then we will have a Cuban policy which makes sense. We are facing Khrushchev. This is his offensive in the cold war in the Western Hemisphere.

One is asked the question, What is the authority of the other American states? Why cannot Cuba deal with the Soviet Union if it chooses to? Is it not a sovereign state?

The answer to that question is found in unmistakable terms in an article of the Inter-American Treaty of 1947. This issue is completely taken care of by the language of article 6, which was almost prescient:

If the inviolability or the integrity of the territory or the sovereignty or political independence of any American state should be affected—

Meaning "should be threatened"—by an aggression which is not an armed attack, or by any other fact or situation that might endanger the peace of America—

Let me repeat those words:

or by any other fact or situation that might endanger the peace of America, the Organ of Consultation shall meet immediately in order to agree on the measures which must be taken in case of aggression to assist the victim of the aggression, or in any case, the measures which should be taken for the common defense and for the maintenance of the peace and security of the continent.

It seems to me that even those who are opposed to taking action against Castro's Cuba—or Khrushchev's Cuba, which it really is—would agree that the "fact or situation that might endanger the peace of America" is being built up on Cuban soil right now, and it must not stand. It is like the situation in Mississippi—it is not being built up by the United States, it is being built up by

others; in the case of Cuba by other nations. That issue must be pinned down and faced by the American nations, not in informal conversations, but in the most deliberate and grimmest meetings of the OAS.

Once a great nation acts to commit itself unilaterally, it cannot stop until its objective is achieved. That is why all of us are united behind the United States and the President in respect of the disastrous failure at the Bay of Pigs. I still take my share of the responsibility, as one who is devoted to our responsibilities in foreign policy, for that failure. That does not mean we should not learn from it and do better next time.

We are not committing ourselves to take unilateral action. We are not committing our forces. A great power cannot do that unless it means business all the way. But it means that after we have tried every other avenue which I have suggested and still find we cannot proceed, in the name of the inter-American system, under the treaty of 1947, or under a security treaty in Central America or the Caribbean, the United States reserves to itself the decision as to how it will deal with the situation if its vital national interests are violated.

If we explore further political means and we are still stymied and frustrated, we will take another look; and we are not committed as to what we will do in that eventuality.

Mr. President, I said as much yesterday, and I ask unanimous consent that a news account of the statement I made yesterday be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, we are asked one other question: Why should not the Russians have a base in the Western Hemisphere when we have a base in Turkey, which is on the border of the Soviet Union? The difference is that Turkey has a government which represents its people. Nobody denies that fact. It is a NATO partner. It is involved with us in that organization.

Second, and critically important, it is not we who threaten aggression against the world. It is not we who say we will send our rockets and missiles against the United States if somebody harms a hair of Cuba's head, or otherwise displeases the Soviet Union. It is Khrushchev who is constantly rattling missiles.

Incorporated in the United Nations Charter, as well, are procedures to defend our treaty commitments in the free world against a voiced and determined threat, which we do not make, and which we have never made. So I see no similarity between the situation of Turkey and Cuba.

Finally, there are those who say that if the Western World acts in Cuba, the Russians may act with respect to Berlin, Turkey, or somewhere else. Of course they may. They may do it on any afternoon, or on any one of a hundred occasions, including the episode of the U-2 plane which flew over Russia. Such a possibility cannot be determinative of our policy.

There is grave risk in any policy we undertake, but when we undertake it, we must stick to that policy notwithstanding the risk, because the policy is so persuasive.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield myself 2 more minutes.

To sum up, Mr. President, I say let us do everything that must be done in consulting our allies in the OAS and in NATO, in the greatest deliberateness, and not in any informal conversations or private negotiating. Let us organize a new defense organization in the Caribbean and Central America, where the trouble now is. Let us then take another look at what should be the next course of action. Let us not tie our hands and say we can move only if certain things happen.

That is the sound policy which we must adopt, and which must be adopted in view of the posture which Khrushchev has adopted in the Western Hemisphere. Incidentally, whatever may be the ideas with respect to the Monroe Doctrine, whether it is out of date or whether it is a warning which is 130 years old—it is at least that, and Khrushchev has decided to fly in the face of it.

Let us all understand that. Mr. Khrushchev has done this with his eyes wide open, after the United States had served notice for a century and a third. I think that should carry great weight in demonstrating good faith of the United States, and the seriousness of our purpose.

[From the New York Times, Oct. 2, 1962]  
JAVITS ASKS KENNEDY TO DISCUSS CUBAN THREAT

Senator JACOB K. JAVITS declared yesterday that President Kennedy should address the country on the gravity of the Cuban situation and also ask for an emergency meeting of the Organization of American States.

The New York Republican asked the President to go on television and radio to discuss Cuba and "to be blunt not only with us but with his administration."

Senator JAVITS, who is campaigning for reelection this fall, spoke at a luncheon meeting of the U.S. Inter-American Council at the Pierre Hotel.

He said that "The United States simply cannot permit the kind of military build-up which is going on in Cuba today to continue indefinitely. To do so would be to endanger directly the security of this Nation."

However, Senator JAVITS opposed an invasion or a blockade, of Cuba saying he could not "go for such a simple solution."

"This is 1962, not 1898," he reminded his audience. "Unlike the Americans of Theodore Roosevelt's day we cannot have a quick little war in Cuba and have done with it."

In urging the President to ask for an emergency meeting of the OAS Senator JAVITS acknowledged that the OAS had refused in the past to act against Cuba. "My answer to that is that we must find out if the OAS will refuse to act," he said. "It is a vital condition precedent to anything we will do."

If the OAS refuses to heed the President, Senator JAVITS went on, "the United States should move immediately to seek to organize a Central American and Caribbean defense organization, pledged and armed to see to it that Castroism and Soviet arms are contained within Cuba and that Castro's power is gradually undermined."

Senator JAVITS criticized the Kennedy administration for what he said was downgrading of worry over Soviet arms going to Cuba.

He charged that the White House has not crystallized U.S. policy on Cuba, but added that "the public senses that it is way ahead of the White House in its estimate of the seriousness of the situation."

## EXHIBIT 1

## A POLICY ON CUBA

(By Senator JAVITS, of New York)

The mail flooding into my office makes one fact very plain: the American people are disturbed about the Cuban situation, deeply disturbed, disturbed as they have not been since the Korean war.

This concern is no emotional binge, as some commentators have tried to make it out. The worry is the perfectly legitimate one of any sensible citizen. Potential Russian missile and submarine bases in Cuba are nothing to be taken lightly. The Soviet arms moving into Havana make it increasingly difficult for the Cuban people to overthrow Castro. Most dangerous of all is the fact that as we know very well, the Soviet method will be to export communism throughout Latin America; indeed, the heritage of unstable government and social injustice is such that the present economic and social condition of many countries to the south offers a field day to such ambitions.

It is not far-fetched to picture a future in which the United States could be in a giant pincer, with a Latin America largely Red forming one hinge and a Red Russia and China forming the other.

We must recognize as a people that we are dealing with Khrushchev, not Castro, in Cuba. We are directly confronting Soviet power militarily, economically and propagandewise in the Western Hemisphere for the first time. This historic breakthrough presents us with a completely different situation from Berlin or from the danger of Soviet reaction on Turkey if we move in Cuba, because it is a threat to our base of operations.

The prime danger of the Soviet in Cuba is not so much the simple one of grave imminent danger to the physical integrity of the United States but rather of undermining the Western Hemisphere base of the free peoples by enticing away others of the American republics to follow the example of Cuba. I believe this was implicit in the joint resolution on Cuba adopted by the Senate and House of Representatives on September 20 and 26.

Public concern over the Cuban issue must be the deeper because while the White House has not finally crystallized the U.S. policy, the public senses that it is way ahead of the White House in its estimate of the seriousness of the situation.

The public feeling is one of urgency, of emergency, of desiring a stepped-up timetable of action.

This does not mean that the President should improvidently be pushed or rushed in exercising his great constitutional responsibility for the Nation's foreign policy, but it does mean that officials like myself must express their views so that the national consensus, which will influence the President's policy, may be truly representative of the Nation.

At his most recent formal discussion of the subject, the President downgraded worries over Soviet arms moving into Cuba. They "do not constitute a serious threat to any other part of this hemisphere."

Despite the Soviet armament Castro now has at his disposal to crush any revolt, the President declared: "It is Mr. Castro and his supporters who are in trouble." He lectured Americans who were excited about the day—they must, he said, keep "their

head"—including, presumably, those whose heads tell them that something is decidedly amiss 90 miles off Florida.

President Kennedy characterized his policy toward massive Soviet arms shipments to Cuba as one of "careful surveillance." But he left unanswered the basic question: Is our timetable reflecting the real urgency of the situation?

In all fairness, the President did speak as if he had understood that there might be something besides "surveillance."

"Let me make this clear," he said. "If at any time the Communist buildup in Cuba were to endanger or interfere with our security in any way \* \* \* or if Cuba should ever attempt to export its aggressive purposes by force or the threat of force \* \* \* or become an offensive military base of significant capacity for the Soviet Union, then this country will do whatever must be done to protect its own security and that of its allies."

Now, this does have the ring of drawing a line and saying: Beyond this, not one step further.

But this leaves the drawing of the line exclusively to the President. And in view of our past mistakes, we cannot leave it at that; we must have a national consensus on urgency and timing to have a direct effect on our policy.

In the true spirit of the bipartisan foreign policy, we all took the blame for the ramshackle intervention at the Bay of Pigs, one of the most humiliating and costly blunders in modern American history. But we would be unworthy of the power and responsibility we exercise if we did not learn from it.

The whole situation is one demanding blunt talk. I need not say to an audience of this kind that I am a strong backer of bipartisanship in foreign affairs. For years I have been talking and for years I have been acting bipartisanship in this field. I need also not say to you that until the national decision is taken, bipartisanship should not and cannot mean a failure to speak out on matters of such great moment, backing the President where he seems right, criticizing him where he appears wrong, and prodding him where he seems to need it.

Just what is the nub of the Cuban situation as I see it? It is this: The United States simply cannot permit the kind of military buildup which is going on in Cuba today to continue indefinitely. To do so would be to endanger directly the security of this Nation.

What should we do about the situation? Some Americans, out of an understandable anger and fear, want the United States immediately to blockade Cuba. Others want to go still further—to use the Armed Forces of the United States to drive Castro out of power. I say such attitudes are understandable; the danger is great and provocations are extreme. But at this stage a blockade or intervention is a commitment from which a great nation like our own cannot withdraw—it is irrevocable until its objective is realized. And going further, as we all know, could escalate into direct conflict with the Soviet Union.

We cannot rule out this risk, but we still have some time to try to concert a defense effort of all or some appropriate part of the Americas before we resort to the final powerful and dangerous medicine. Also, there is not yet even a recognized Cuban government-in-exile on the model of De Gaulle's Free French with which to deal.

This is 1962, not 1898. Unlike the Americans of Theodore Roosevelt's day, we cannot have a quick little war in Cuba and have done with it. The Cuba situation is a particular instance, demanding immediate attention, but it is nonetheless only one aspect in the world-wide, long-running cold war. One element in this cold war is ob-

viously the relentless imperialism of communism. But another part is the revolutionary ferment on every continent, and especially in Latin America. Some of this ferment is Communist, some partly Communist, some not Communist at all. A good deal of it represents the entirely legitimate aspirations of the hundreds of millions around the globe for a better standard of living, the ending of color lines, stable government, peace, and a greater sense of dignity for the individual.

The eyes of these millions are on us as we make our moves in the Cuban situation. We know that Castro is now a little puppet of Khrushchev, who has cruelly abused and betrayed the hopes of the Cuban people. But this knowledge has not caught up with too many of the millions—again especially in Latin America—to whom Castro is still a symbol of the bold revolutionist who thumbs his nose at rich and mighty nations like the United States and takes drastic measures at home to improve the lot of the ordinary fellow. Practically all students of Latin American affairs agree that the failure in the Bay of Pigs strengthened Castro at home and made him an appealing figure throughout Latin America.

So, in dealing with Cuba, we have strong reasons for choosing the right time. But what do we do meanwhile? Eloquent talk and little action is simply not enough. For the cold fact remains: The United States cannot permit the kind of military buildup which is going on in Cuba to continue indefinitely.

I believe there are a number of moves, hardheaded and vigorous moves, which can be and should be taken, not tomorrow, but at once.

I call upon President Kennedy to describe the seriousness of the Cuban crisis to the American people directly on national television and radio. I call upon him to be blunt not only with us but with his administration. I call upon him to recognize the urgency plainly required by the situation.

Then must come the action—again not in some vague future but now, in the ever-more dangerous present. The proper organization to handle Khrushchev in Cuba is the OAS, the Organization of American States. Through the OAS, we and all the other countries of the Western Hemisphere are pledged to protect every nation of the hemisphere from threats to its security of just this kind. I know the Latin American foreign ministers are coming to Washington tomorrow, but Mexico, Brazil, and Argentina, the big three, will be absent. I call upon President Kennedy to ask for an emergency meeting of the OAS, put the matter formally and properly to the nations, and demand action. There are those who argue that the OAS has in the past refused to act against Cuba, that it will refuse again, and that we will be caught in a diplomatic failure. My answer to that is we must find out if the OAS will refuse to act; it is a vital condition precedent to anything we will do.

Also, after all, circumstances change the minds of nations as well as individuals. Surely every day makes plainer to the whole Western Hemisphere, Latin Americans as well as Americans, that the U.S.S.R. is in Cuba. If the OAS won't move, it won't move; that would be too bad. But the fear of failure leaves me cold in such a serious situation.

In the event that the OAS will not act, another swift step is called for. Cuba's closest neighbors have a quite different attitude from the rest of the continent. They ought certainly to be ready to do something about the Cuban threat. If the OAS is stymied, the United States should move immediately to seek to organize a Central American and Caribbean defense organization, pledged and armed to see to it that Castroism and Soviet arms are contained

within Cuba and that Castro's power is gradually undermined.

At the same time, there is NATO, the alliance of the free countries of the West, which was formed precisely to serve as a bastion against the spread of communism. The Cuban situation includes this supreme irony: During the last year, the merchant ships of America's NATO allies have been carriers to Cuba of oil and other materials essential to the Communist military buildup there. At present ships from NATO countries are even being chartered to transport Soviet arms and personnel. This disgraceful situation certainly can be ended. Just the other day, one NATO country, Turkey, announced that its ships would carry no more cargoes to Cuba. Like all Americans, I hailed this statement. But I would be a good deal more in a hailing mood if it had been accompanied by announcements from other NATO nations.

Just a short while ago, on September 16, the New York Times reported: "The United States has had little success thus far in stopping NATO shipping for Cuba. Moreover, U.S. officials do not expect much success and they are not especially worried at present. A high ranking Government official expressed the administration feeling that the Cuba problem is less threatening this year than it was last year."

Less threatening this year than last—is this kind of judgment on which we really want to base our handling of NATO or Cuba?

Let us have done with rationalizations. Let us face the facts, however jolting they may be. And let us move. Then we will not only be keeping our heads, as President Kennedy wants us to. We will be using them—and, let me add, we will be calling upon that tradition of decisiveness which has heretofore marked America when plainly confronted by an enemy.

**Mr. KEATING.** Mr. President, will the Senator yield?

**Mr. JAVITS.** I yield to my colleague.

**Mr. KEATING.** I wish to associate myself completely with the remarks made by my distinguished colleague. A determined effort is being made to make it appear that anyone who favors a stronger and more vigorous policy with regard to Cuba than has been pursued to date is to be identified with an immediate U.S. invasion of Cuba or some other warlike action.

The PRESIDING OFFICER. The time yielded by the Senator from New York has expired.

**Mr. JAVITS.** Mr. President, I yield my colleague 5 additional minutes.

The PRESIDING OFFICER. The junior Senator from New York is recognized for 5 additional minutes.

**Mr. KEATING.** Of course that is not true. There are many who have different views as to the method for dealing with this situation. Some would immediately go further than others. There are a great number of measures that can be taken, of varying degrees of effectiveness. Some have been discussed. Others, perhaps wisely and deliberately, have not been specifically mentioned, but are certainly in many minds.

The outline which my distinguished colleague has made is precisely, with one addition, the proposal which I made several weeks ago when this question first arose.

The first of my proposals made August 31, again September 4 and September 6 was to tell the people the facts about Cuba. I have urged careful considera-

tion of the possibilities of blockade—a policy vigorously supported by the Navy 2 years ago. I have urged an economic boycott of Cuba by the United States, the OAS, and NATO. Above all, I have urged Government officials to stop talking about offensive and defensive weapons and apprise the American people of the real perils we face. If this problem is becoming a political issue in the campaign being waged—and I wish to say, incidentally, that in my judgment a political campaign is nothing more than a national discussion of vital national issues and is a part of the lifeblood of a free government—it is because the American people have not yet been told the full story about Cuba. An effort has been made to downgrade the crisis and keep from the American people the full meaning of the crisis. Naturally, this is resented, not only by Members of Congress, or members running for Congress, but by the entire Nation.

As my colleague indicated, it is absurd to say, that if we act in regard to Cuba the Russians will apply pressure in Berlin. Exactly the opposite is true. If we do not take a strong stand in respect to Cuba, 90 miles from our shores, the Soviets certainly will expect us not to take a strong stand in Berlin, so much farther away. Inaction in this case can be much more dangerous, more provocative, than firm action.

What we need, first and foremost, are the facts about Cuba. Some have been given. There have been two statements of fact about the Soviet buildup in Cuba—one by the President, and a briefing by the Department of State. There are many other facts which, in my judgment, should be told to the American people, and which, if they were revealed, would in no way impair the national security of the United States. On the contrary, a full statement of the facts might well result in better cooperation from our allies and the nations threatened. I think the people should be told.

There is one aspect of the Cuban situation which is a real danger, a danger not fully acknowledged as yet. I refer to the increasing number of Africans in Cuba. The most recent reports suggest that between 1,500 and 2,000 Ghanians and Guineans are in Cuba. Women as well as men from those countries have been seen in Havana. Why are these Africans there? There are many French-speaking Africans.

Various parts of Cuba are about 100 miles by water from Haiti, from Jamaica, and very little farther from the Dominican Republic. Authoritative sources believe that these Africans are part of a deliberate plan to infiltrate the neighboring Caribbean countries and to overturn, by sabotage and subversion, the existing governments.

In Santo Domingo, the capital of the Dominican Republic, which is now progressing quite satisfactorily under its new post-Trujillo government, there are rumors everywhere that Cubans and Africans have been parachuted into the interior.

Let me make very clear that those rumors have not been confirmed, but it is common talk on the streets of Santo

Domingo, and the rumors are a very good indication of the unrest which exists in the countries near to Cuba, the fear of the eventuality, and perhaps the shape of things to come in the Caribbean.

It was well known in Havana that at the time of the summer uprising in Venezuela, when the so-called Communist guerrillas tried to oust President Betancourt, that transport plans were ready and on the alert at Havana Airport to render assistance to the Venezuelan Communists at the first opportunity. Had the Venezuelan Government forces lost their control of their airport, we might have seen the first evidence of Castro's efforts to export aggression at that time.

Meanwhile, the equipment continues to flow from Russia into Cuba—crates that are so large that special unloading machinery is required, cargoes so secret that they are unloaded only by Russians or Czechoslovaks under cover of darkness, containers so long that two railroad cars must be hooked together to carry them.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

**Mr. JAVITS.** Mr. President, I yield my colleague 5 additional minutes.

The PRESIDING OFFICER. The junior Senator from New York may proceed for an additional 5 minutes.

**Mr. KEATING.** Mr. President, the evidence mounts that the Cuban people are suffering under ordeals of terror and hardships. Hundreds of executions are reportedly taking place. Even the once-trusted Cuban militia is—much of it—no longer armed; weapons have been taken from the Cubans, to be stored in armories, yet the Russians and Czechoslovaks carry their weapons prominently.

As my colleague said, this is not a Castro problem, it is a Khrushchev problem.

Disease and epidemics are spreading. Thousands of children have polio. Gastroenteritis, diarrhea, and pneumonia are raging. But there is no medicine, and the government confiscates most of the medicines mailed in by compassionate relatives. Famine threatens many, especially the poor. Cubans by the dozen are retreating to the hills, to set up guerrilla units.

We can encourage these units. We can help feed and equip them. But let us face facts. Small guerrilla groups will need more support if they are to defeat tanks, planes, missiles, and all the panoply of Soviet might. Without our assistance, these groups have no chance of victory. Without our assistance, all the countries of the Caribbean are in danger, not merely of propaganda but of direct infiltration and efforts to overthrow the government.

Unless the realities of the situation are known and understood throughout the nation, the hemisphere, and the world, there is little hope to combat the new power of the Communist menace in the Caribbean.

To think of defeating Castro at this date, or of cleaning up this hemisphere so far as Cuba is concerned, without incurring some risk that a U.S. shot may

be fired is unrealistic. That is a hazard which will always be present, not only under present circumstances, but also circumstances of the foreseeable future.

Mr. President, exactly as the danger is immeasurably greater today than it was 6 months ago, 6 months from now it will be immeasurably greater than it is today unless forceful action is taken.

I subscribe completely to what has been said with respect to action by the Organization of American States, presenting united hemispheric solidarity, which is highly desirable. We must endeavor in every way to obtain their support. We must endeavor in every way to make our NATO allies see the folly of the position they are taking. But to say that under all circumstances we will permit our hands to be tied by them and under no circumstances will we move on our own to protect the prestige, the power, and the might of the United States is contrary, I believe, to the wishes of the Congress and to the wishes of the American people. The OAS cannot be a veto to U.S. action as I observed in a statement September 6 and again before the Foreign Relations and Armed Services Committees September 17.

Once the commitment to an active policy is made, we cannot dodge the responsibility of using sufficient force to attain our purpose.

There is no easy way out. Once the power and prestige of the U.S. Government are committed to a struggle, whether it be in Cuba, Berlin, South Vietnam, or anywhere else, we cannot afford to have it ineffective. Those who argue for so-called policies of moderation at this stage of the game are, in fact, supporting the very kind of halfhearted effort that led to the 1961 fiasco in Cuba, following which, it will be remembered, every Member of Congress, without regard to party, stood back of the President of the United States in the unfortunate situation which we then faced.

If the President decides that force is necessary to achieve his objectives and to protect the prestige and authority of our Nation, in my judgment he will have the wholehearted support not only of the Congress, but of the people of our country in the course that he feels it is necessary to pursue. But whatever action is taken, it must be strong enough and carefully planned so that it will not fail.

I am very happy that my colleague has brought up this subject. I intend to speak on it at greater length at a future time and to emphasize that there are many courses we can take short of the actual use of force, but with a stronger attitude and a more definite commitment toward what we are trying to accomplish than has been indicated heretofore.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the editorial published in the New York Times, to which I referred.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### SHADOW OF 1956?

Congressional election campaigns are occasions for candidates to air their views on national and international affairs; but, in their zeal to win, rival candidates are frequently unable to resist the temptation of overdramatizing and oversimplifying the most critical issues. The one-dimensional approach is, unfortunately, effective with many voters.

If it is naive to expect candidates to refrain from injecting the Cuban issue into the current congressional campaign, it is still reasonable to suggest that they measure up to the responsibilities of the offices they are seeking.

A growing number of Members of Congress, including JACOB K. JAVITS, the senior Senator of New York, his colleague, Senator KENNETH B. KEATING, and Senator STROM THURMOND, Democrat, of South Carolina, are among those who are urging President Kennedy to take unilateral action against Cuba that could easily lead to war.

Senator KEATING has proposed an immediate economic and military blockade. He has indicated he would approve shooting, if required, to halt the flow of weapons and technicians from the Communist bloc. Senator JAVITS urged the President to warn the Soviet Government to cease the shipment of weapons and technicians. He said it would be "the President's duty as Commander in Chief to stop the shipments by whatever means he deems appropriate" if the Soviet Government did not accede to his request.

We do not like the present situation in Cuba, a Communist, Soviet-supported state on our very borders. Castro's political orientation is without question a potential danger to this hemisphere. But we are not at war with him. The proposals being put into circulation for public consideration by homegrown advocates of "unilateralism" can only have the most damaging effect on our world position and the ability of the administration to deal safely with a hornet's nest.

The advocates of unilateral action against Cuba could profitably recall that it was the Suez affair in 1956 that diverted world attention to the point of enabling the Soviet Premier to crush the Hungarian rebellion without risking any physical reaction from the Western Powers. We must not fall into the trap of creating another Suez out of Cuba, to distract the world while Russia makes another Hungary out of Berlin.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 962. An act to amend the Federal Aviation Act of 1958, as amended, to aid the Civil Aeronautics Board in the investigation of aircraft accidents, and for other purposes;

S. 2568. An act to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, and for other purposes;

S. 3389. An act to promote the foreign commerce of the United States through the use of mobile trade fairs; and

S. 3504. An act to provide for alternate representation of secretarial officers on the

Migratory Bird Conservation Commission, and for other purposes.

The message also announced that the House had passed the joint resolution (S.J. Res. 214) authorizing the President of the United States to designate the period from November 26, 1962, through December 2, 1962, as National Cultural Center Week, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 581) authorizing the Clerk of the House to make a correction in the enrollment of H.R. 8567, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 134. An act to provide that seat belts sold or shipped in interstate commerce for use in motor vehicles shall meet certain safety standards;

H.R. 8151. An act to amend title 14, United States Code, to require authorization for certain appropriations;

H.R. 11587. An act to amend the Merchant Marine Act, 1936, in order to provide for the reimbursement of certain vessel construction expenses;

H.R. 5698. An act to extend the apportionment requirement in the Civil Service Act of January 16, 1883, to temporary summer employment, and for other purposes;

H.R. 11949. An act to repeal section 25 of title 13, United States Code, relating to the duties of supervisors, enumerators, and other employees of the Bureau of the Census, Department of Commerce;

H.R. 11950. An act to amend section 131 of title 13, United States Code, so as to provide for taking of the economic census 1 year earlier starting in 1968;

H.R. 11086. An act to amend title 28, United States Code, to provide for additional commissioners of the United States Court of Claims, and for other purposes;

H.R. 11111. An act to amend the Act of October 4, 1961, authorizing the Secretary of Agriculture to sell and convey certain lands in the State of Iowa; and

H.R. 12341. An act to amend section 309 of the Food and Agriculture Act of 1962.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 6682. An act to provide for the exemption of fowling nets from duty, and for other purposes; and

H.R. 12180. An act to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

#### HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or placed on the calendar, as indicated:

H.R. 134. An act to provide that seat belts sold or shipped in interstate commerce for use in motor vehicles shall meet certain safety standards;

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PART III. NATIONAL PARKS—A NATIONAL ISSUE

(By Ernest Swift)

Editorials in the last two issues of Conservation News dealt with national parks from the standpoint of historical background in relation to early pioneers who envisioned the preservation of our natural phenomena, as well as their concepts and dedication to an ideal. Also discussed were the problems resulting from an increasing and highly mobile human population, from the demands for changes in the old order of things, and from the creation of new public recreation areas by whatever name they may be called.

People have many diverse ideas as to what should constitute a national park and the purposes of its creation. And if they do not immediately get what they want, they advocate a law. This makes them feel virtuous. Sound, basic laws are necessary, but national parks will not continue in perpetuity if an intelligent public attitude is lacking.

What should that attitude be? The impact of conflicting interests leaves the Park Service with problems of ecology and public relations, with attempts at long-range planning being frustrated by seasonal and day-to-day obligations.

Many visitors do not distinguish between national parks and national forests, and conservation to them becomes a confusing word because of the congressional objectives imposed on the two agencies. Hunting, logging, and mining are carried on in the forests, but not in the parks. Some are surprised and happy with this situation, a few envision material waste.

Because an original congressional act uses the term "pleasuring ground" some people think that the Park Service is obligated to establish the metropolitan image alongside of Old Faithful. Scientists and nature students see the national parks as outdoor laboratories.

In a brochure recently published the Park Service interprets the basic conception of national parks and the obligations imposed by congressional act upon the Service. These statements speak for themselves:

"The national parks contain the largest and best preserved examples of original American landscape. They constitute a resource affording outstanding opportunity for basic natural history research. Moreover the National Park Service requires from research a continuous flow of precise knowledge about the nature and composition of this resource, and about the people who use it. The need is more critical than at any time in the past, and will intensify. The reasons are clearly evident.

"Congress has directed that the national parks be safeguarded and preserved as complete, natural communities of life.

"Maintenance of the integrity of these natural properties is a practical requirement for their proper use. Their value for wilderness-based recreation, for organized and avocational education in the fields of natural history and conservation, and as a theater for basic research by scientists depends upon maintenance of the unchanged natural environments contained therein. Each unnatural change or impairment destroys a part of their capacity to serve these purposes.

"The national parks are complex organisms. \* \* \* Unless under study by trained observers, unnatural changes can approach an irreversible stage before being recognized.

"The national parks are rapidly becoming islands, bounded on all sides by lands ever more intensively managed and manipulated for other purposes.

"The parks are increasingly subjected to adverse influences arising around their borders. Unless recognized and neutralized the inevitable consequence is damage or disturbance of the forests, wildlife, soil, and water relationships, frequently of such scope as to threaten the natural integrity of the whole environment, and in some cases the very existence of some parks.

"Each year, additional millions of people seek recreation in the national parks.

"Thus, the first essential task is to manage these properties so as to neutralize, to the greatest degree possible, all unnatural influences, whether arising from unbalanced natural conditions and public use within, or whether invading the parks from without.

"To do this means that the Service must understand, much more completely than it does now, the natural characteristics of these properties, the nature of the normal processes at work within them, the unnatural forces imposed upon them, and, as well, the relationships of park visitors to the natural environments. If the Service is to protect and preserve, it must know what it is protecting, and what it must protect against. It is the function of research to get at the truth, to develop the fund of knowledge necessary for intelligent and effective management.

"Research, which contributes to preservation and management, has an additional and equally important collateral value. \* \* \* Through research on natural environments, primitive soils and life forms, science has contributed much to agriculture, forestry, medicine, and other practical pursuits. \* \* \* Outside the national parks, there are few places where studies of the original environments are still possible. These places are fast disappearing, and the national parks may well offer the only opportunity in this country, if not in the world, for such basic and perhaps essential research in the future.

"The responsibilities of the National Park Service are to preserve the resource so that research opportunity is perpetuated, to encourage and to facilitate independent research, and to pursue its own research program, dictated primarily by park preservation and interpretive needs, so that it too contributes to the broad fund of scientific knowledge."

Although the parks have been researched by both public and private agencies as well as individuals, the moneys allocated to the Service for this function have been meager, to say the least. For this reason, there has been little continuity in park research.

The above-listed aims of the Park Service sound a long way off from the national parks being merely "pleasuring grounds," but it is important that people in their mass migration learn to appreciate these more important basic values.

Space does not permit evaluation of all new proposals or even specific trends in the parks or other recreational use areas, but thought should be given to what the national parks will look like and be like in 25 or 50 years from now, especially if the Park Service is not given the necessary research and management tools needed for future planning.

Mission 66 was essential for many physical improvements, but still does not provide a lasting program of research, and many a nature lover has had the cold chills because of some of the bulldozing dislocation resulting from Mission 66.

Demosthenes once accused the Athenians of waiting for bad news before they would act. Up to the present time the entire conservation pattern can be likened to filling sandbags to stop a flood.

To protect the parks from over development and over use, Marion Clawson has

raised the question of an increased entrance fee—for debate he has suggested \$25.

The merit of this idea will be dragged by the tail around the Halls of Congress and shouted down as being unfair to the common man, of whom Lincoln once said, "God must love the common man because He made so many of them."

Not many years ago an innovation was started on public hunting grounds whereby hunters were picked by lot or first come first served, plus a fee. This was a terrific wrench to the pioneer philosophy of free hunting, but time has done much to heal the wounds.

The Park Service had best commence right now to condition the free-wheeling public to the idea that some time they may have to get a ticket and take an examination before they will be allowed to enjoy the last remnant of primitive America.

LET US SEE THE ADMINISTRATION CREATIVE TAX PROGRAM NOW

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The stock market dipped sharply yesterday. I do not believe that this was a sell-off because people think that inflation has come to an end—as was claimed for the massive dip last spring. I rather think it was a continuing vote of lack of confidence in the economy. It was an indication of the President's failure to provide this country with effective leadership on domestic economic issues.

We have been promised a far-reaching program of tax reform to be submitted to the Congress next year and to be effective retroactively to January 1, 1963. The Chairman of the Council of Economic Advisers stated so again yesterday. The President said last month that this new tax program would be creative.

There would be nothing as creative in terms of firming up economic confidence than submittal, right now, of at least a broad outline of the President's tax program. We have been told what the new program is supposed to do: Increase consumer spending, stimulate investment, and improve profit margins. I believe the Congress and the people would like to see how these laudable ends are proposed to be achieved.

The Congress knows that, if the tax program is submitted next year in the same highly controversial condition as was the original revenue bill which finally seems to be near passage by the Congress, it will be a miracle to make it retroactive to January 1, 1963, perhaps even to pass it at all in 1963.

Let the President make his program available now so that Congress and the people can study it over the next months and perhaps advise him in avoiding the pitfalls which made the progress of the more limited administration tax program to be passed at this session such a tortuous 18-month journey. Let the President give the business community some view of what is ahead, some incentives to move into the future. The way to win business confidence is by showing it—not by guessing games.

Certainly, there has been little in the performance of the administration and

of the economy over the past year and a half to provide real incentives or to give a clear view ahead. The last time we had an unemployment rate of less than 5 percent, seasonally adjusted, was in May of 1960—30 months ago, in the Eisenhower administration. Since the beginning of this year, the leading economic indicators have been fluctuating uncertainly. Last month for example, a few more were up than down. This month two more are down than up. There is at best a sideward drift. The industrial production index has failed to rise for the third time this year. Capital investment is groping around the \$37 billion annual rate, which it had reached 5 years ago—in 1957 when the labor force had 4 million fewer people to be employed.

We received no incentive tax cut this year. The President decided to bow to his committee chairman in the Congress. I believe that it was a poor decision. But now he can act on his own. He can restore some element of economic confidence by letting us see, now, the creative tax program he proposes to submit next year.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

**Mr. JAVITS.** Mr. President, I yield 5 minutes to the Senator from Kentucky [Mr. COOPER].

**Mr. COOPER.** Mr. President, I have supported the foreign aid program during my service in the Senate. Nevertheless, during the past several years I have voted for the foreign aid program with some reservations. My reservations do not arise from any change in my views regarding the necessity of a foreign aid program. I believe it is an important arm of our foreign policy. I believe it is necessary in our self-interest to open the avenues of association and trade with the developing countries, for we have had little association with many of them in our relatively short history as a Nation. In the harshest self-interest it is essential that we do not abandon the field to the Soviet Union—in countries which are desperately seeking aid. Looking around us today, and to the future, it is in our interest and the interest of those countries we assist that these nations shall remain free—free in the sense of being independent, sovereign nations, and free in holding democratic values.

Also, I have voted for aid because I believe our country—with all its troubles, yet rich among the countries of the world—has a humanitarian and spiritual duty to help those less favored.

My reservations and my doubts—and I think they are shared by many—on the foreign aid bill have arisen because of known facts and many doubts that the money we appropriate is not being as effectively used as it should and could be used. I believe the people of our country would feel better about foreign

aid appropriations if they had assurance that they were being used as effectively as possible.

In view of the vast number of countries which receive our foreign aid, and the uncertain and difficult conditions in many of these countries as they try to catch up with the 20th century economically, I understand that we cannot expect perfection.

In 1955 and in 1956, when I was not in the Senate, I made my recommendations to the State Department, and I have made them since. I do not believe it is possible to have an aid program that is as effective as it should be unless the President—and through him the State Department—makes the decision to negotiate at the very highest level possible, with the leaders of the countries we help and their representative responsible for development, to determine if their internal plans and programs for development are designed to secure development of those countries and that the projects to which our aid is applied are proper objects for the purpose.

Why is it important to do this? The very progress of our foreign aid program shows the different conceptions we have had. I will leave out the Marshall plan, because it dealt with a highly developed group of nations. Theirs was a problem of rehabilitation, rather than initial development.

It was followed by the point 4 program, designed to provide training and assistance in the fields of health, education, public administration, transportation, agriculture—to provide to the developing countries the base for a start toward industrialization.

Under the Eisenhower administration the concept of development grants was evolved to help countries toward industrial and economic development, to build the industrial capacity needed to relieve unemployment, provide needed goods, and raise the living standards of their people.

In the evolution of a plan, it is necessary that we, as well as the country we aid, decide whether the aid we give should be used primarily for an agricultural program, or a point 4 program, or one of industrial development, or some proper mixture. There must be a plan of development. Some countries are ready for high industrial development, while others are not. Once the objective is established, we ought to be able to determine, in consultation with the officials of other countries, at the highest level, whether the specific projects they select, and for which they ask our aid, will contribute largely to their objectives—their fundamental plan of development.

**The PRESIDING OFFICER.** The time of the Senator has expired.

**Mr. COOPER.** May I have 5 minutes more? I have not spoken during the whole debate.

**Mr. KUCHEL.** Mr. President, I yield 5 minutes to the Senator from Kentucky.

**Mr. JAVITS.** Mr. President, will the Senator yield?

**Mr. COOPER.** I yield.

**Mr. JAVITS.** First, I think it should be emphasized that the Senator who now

has the floor is a former Ambassador to India, one of the countries which we aid the most. The Senator speaks from the depth of his experience. I hope very much that not only the Senate but also the world will listen.

I should like to ask the Senator—which is the reason why I have interrupted—whether he would add another factor, the private enterprise factor, and whether we should not bargain with the countries to which we give aid, to be sure that they will be receptive to all the private enterprise investment available to them if they will but treat it fairly, without discrimination, and without having the sword of Damocles of expropriation hung over their heads every Wednesday.

**Mr. COOPER.** I am glad to accept the Senator's suggestion: Many of these countries have misconceptions about American private enterprise, but they should accept bona fide and helpful private investment.

**Mr. President,** I wish to emphasize my first point. I speak from limited experience in this regard, but at least from some experience.

The evolution of a program for a country, and specific projects, must of course be initiated by the country involved. The program and the projects are proposed by officials of the country, and tentatively agreed to by U.S. officials of our AID programs actually on the ground in the recipient country. They are planned, reviewed, and then recommended to officials in Washington, D.C.—where I am afraid that the recommendations are often reviewed and accepted project by project, rather than upon their merit as an integral and necessary part of the basic program for development, which the United States had previously reviewed and found workable.

I believe it is necessary that the basic programs of the countries we aid should be considered at the highest level possible, at least by an Assistant Secretary of State or by those at the highest levels in AID. Experts could be brought in to assist in this review and study.

Of course, the preliminary work is done in the country aided, by consultation between officials of the recipient country and our officials under the Agency for International Development. I do not mean to say that this process is not carried on with respect to some countries, and partially for all. The essential point I am making is that before the United States makes commitments of aid to a country for its development—a development that will continue for many years and require continued assistance by the United States—this country should do its best, through consultations and advice, to persuade and assist the recipient country to develop and adopt a basic program for development that has the chance of succeeding. If this is not done, our aid will be ineffective and will not help greatly.

Only after such a decision on the major plan is made—at the highest levels—can there be valid decisions as to whether specific projects are needed for its success. Of course there will be revisions,

and changes. But these basic determinations must be made by our country or else our aid will not meet our objective of promoting the speedy and adequate development of the countries we aid. And of course the basic plan, and every project, must include the greatest self-help possible.

I have examined the hearings year after year. I do not serve on the Committee on Foreign Relations or on the Appropriations Committee, and so I do not receive the benefit of information which comes to them. But I talk often with many who work with our programs, and with others who observe them.

I do not believe that the United States is making the decisions at the highest levels, whether a basic program has been developed by each country which offers the best chance for success, and whether specific projects of the program to which our money is applied contributes largely to the success of the plan.

I know that this is a difficult process, but the largest effort should be made.

I know the question will be asked, "Would not such negotiations and consultations at high levels be interpreted as placing 'strings' on aid?" Of course this is a matter of concern on the part of countries to which aid is given. I would answer by saying, "We are willing to provide help for a program of development which both of us believe can succeed. It is not provided as a matter of right, nor as a matter of grace. There must be a two-way agreement on a workable program, for the application of our aid."

I believe the people of the other countries would respect us more, and respect the genuine good purpose of our aid, if we apply such standards before we make major contributions.

It might be said, "Some will go to the Soviet Union." Many go to the Soviet Union, anyway. I think the best answer is, "After consultations—going over your programs at the highest level—we have made the best decision we can about the extent and objects of our aid. It is all that we can do. If the Soviet Union will help you further, it is not our decision and we have no objection."

During my stay in India, I found that India had done good planning on its long-term programs. That is one of the reasons I supported their program and our aid. High officials of the United States, as well as the United Kingdom, reviewed their programs with their high officials, and found them workable. However, even there, until long-term commitments were possible, I believe too much of our money was funneled off by our officials into secondary projects. Valuable as they were, they were not as important to development as they should have been.

And there is a tendency on the part of those who have charge of such programs to build up their forces, to make the programs last.

I have spoken on this subject year after year. I have done more. In past years I have made recommendations to the State Department, and to officials of the past and present administrations.

**THE PRESIDING OFFICER.** The time of the Senator from Kentucky has expired.

**MR. KUCHEL.** Mr. President, I yield the Senator 3 additional minutes.

**MR. COOPER.** I supported the recommendation of President Eisenhower and later, of President Kennedy, which was implemented in part last year when the Congress agreed to authorize long-term commitments.

But long-term commitments are not enough. There should be no long-term commitment until there has been the fullest exploration of the program proposed by another country, with a thorough analysis of the program at the very highest possible level in our own country.

People of foreign nations will respect us if we ask for high standards. Our programs then will mean more to the beneficiary countries and more for our purpose—helping other nations to the maximum possible extent.

#### TRIBUTE TO DR. STERLING M. McMURRIN, COMMISSIONER OF EDUCATION

**MR. COOPER.** Mr. President, a few days ago, a great public servant left the scene of public affairs and started back to the college campus, to his classes in philosophy. Dr. Sterling McMurrin, who had served as U.S. Commissioner of Education for something less than 2 years, called together the staff of the Office of Education to bid them adieu. But he gave more than a warm personal message. He spoke to them of his philosophy; his philosophy of education of public service, of life in all its aspects.

Dr. McMurrin is a scholar, and a civilized man. But scholar though he is, he has never confined himself or his thoughts to an ivory tower, to a world limited by academic walls.

He was appointed by a Democratic President, but Sterling McMurrin followed no partisan political pattern; no partisan political procedures; he followed the dictates of his conscience and the mandates of great thinkers of all ages: the eastern wise men, the classic Greek philosophers, the leaders who gave the world the Judean-Christian code of moral living, and the thoughtful writings of the scholasticists of the Middle Ages to the beginning of modern philosophy.

With this knowledge he sought to give direction, but never directives to education.

He spoke of the tremendous importance of the individual and sought to emphasize the overwhelming necessity today for the personal and the intellectual integrity of the individual.

I do not plan here to comment editorially on the speech he made, extemporaneously to his staff on his last day in office. His speech calls for widest dispersal. All thoughtful Americans should have the opportunity to read it and ponder its message.

American education may well be guided by it; all thoughtful school people will be inspired by it.

I trust it will not mark the departure of Dr. McMurrin from an active role in shaping policy for American education. We need him to help provoke thought, even though he may wish to leave the arena of public administration.

I hope a way will be found to keep his intellectual leadership before the Nation.

As a first step, I ask unanimous consent that this speech be inserted in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY STERLING M. McMURRIN, U.S. COMMISSIONER OF EDUCATION, U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, TO THE OFFICE OF EDUCATION STAFF, SEPTEMBER 5, 1962, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE AUDITORIUM, WASHINGTON, D.C.

I very much appreciate your willingness to come together to make it possible for me to say a few words to you regarding the Office of Education and also relative to education as a whole in this country.

This is a most gracious attendance. Frankly, I didn't know we had this many people in the Office of Education.

I must say that it's a very great disappointment to me that I have not become better acquainted with all of you personally. The very nature of the work of the Office of Education has, of course, brought me in very intimate contact with some persons on a daily basis, with others on a less frequent basis, and with some of you, rarely, if ever. It's a very great disappointment to me frankly, and in many ways, I'm aware that it's my own fault. On one or two occasions with very firm resolve, I undertook to meet with small groups of the professional staff to discuss with you on a somewhat more intimate basis, though I'm afraid you may have felt rather artificially, the work that you are doing and the degree of satisfaction that you realize from that work. I'm really very sorry because this was a most rewarding experience for me, becoming better acquainted with the work of the Office of Education and also cultivating a more personal relationship with many of you. I'm very sorry that I did not pursue this effort more vigorously. Frankly, I had no idea that I would be leaving as soon as I am, and it's always easy to look back and see all the mistakes that have been made—things that should have been done—and should have been said that were not said and done.

I would like you to know that my reasons for resigning from the Office as Commissioner are really very, very simple. I have read some highly sophisticated and subtle, complicated and profound explanations for my resignation. Some of them certainly have been most impressive, all of them very interesting, some very enlightening, and, I must say, others very tempting. I wish, frankly, that I had been capable of a resignation on such technical, profound, and subtle grounds as some of those that have been described. But after giving much consideration to the matter, I have decided that my own reasons are the best after all, and I want you to believe that I'm very sincere when I say that my reason for resigning is simply that I have always considered myself to be a kind of misplaced schoolteacher. For the past 8 or 9 years I have been involved in administrative work. I have wanted for a long time to leave administration and return to teaching and research, and when I came to Washington it was with the firm intention of leaving administrative work on the occasion of the termination of my tenure as Commissioner. I had no idea that that termination would come so soon.

It was the resignation of Mr. Ribicoff from the Department that prompted me to sub-

mit my own resignation, simply because I felt that this would be an appropriate time for me to make such a move—in view of the change of administration in the Department. I assure you that my resignation at this time has nothing whatsoever to do with any lack of confidence in our very distinguished Secretary, Mr. Celebrezze, or any lack of confidence in the importance of the work or the future of the Office of Education. It is not due to any large frustrations or any small frustrations of any kind. It is simply due to being placed in a position of having to make a choice between two ways of life. I frankly wish that I were two people and could follow both of them.

Now, whether it's wise or unwise for me to have resigned at this time is a judgment for anyone to make who cares to. I leave, certainly, with very mixed feelings and emotions. My experience here has been in every way, professionally and personally, one of very great satisfaction. It is a very difficult thing for me to leave feeling that many things that we are working on are yet unfinished. I personally would like to see them through to a further stage of development. I don't say through to completion because I think an operation of this kind should never feel that its work is in any sense completed.

I am very highly complimented and, of course, personally am pleased by the fact that many of you have urged me to remain in the Commissioner's office, and Secretary Celebrezze has himself urged me to remain. I very much appreciate his attitude in this matter. I don't want to dwell on the point of my leaving, I simply felt that I owed you some very clear statement accounting for this action. I would like you to know that I certainly will have a continuing interest in education in this country, and in the world at large for that matter, and in the solution of the numerous problems that are confronting it. I told some of our colleagues yesterday that I was really beginning to get interested in education. I don't want that to sound like it does sound. But I mean to say very frankly that I have, through association with you, and through the responsibilities placed upon me by my work in the Office of Education, become intensely interested in the major issues facing education, and I'm quite sure that these will always remain a very basic part of my life's commitment.

It has been a very great pleasure, as I have said, to have association with you, individually and personally. It is a matter of great pride to me that I have had this identification with the Office of Education and with the Federal Government. As you very well know, from things that I have said in the past, I am inclined to be somewhat critical of the things that we are doing and the way that we are doing them in the Office of Education. I would like you to know, however, that I believe that the Office of Education is subjected to a kind of criticism from both within and without the Government that is, for the most part, highly unjustified. The weaknesses that are to be found in the Office of Education are very real, but it is also true that there are very great strengths in the program of the Office, the personnel who administer that program, and in the manner in which the program is administered. And I think that it is most unfortunate that a considerable number of people in the Government, as well as outside the Government, are so ready to overlook the obvious instances of great strength and high integrity in the administration of the Federal program of education in this Office in favor of the weaknesses that they, rightly or wrongly, are able to identify. Those weaknesses are due, I think, to a variety of factors. They are due in part, I suppose, to the conservatism of people in education. That, incidentally, is to be found not only in the Office of Education, but in all educational in-

stitutions, both high and low. This conservatism is something that stands in the way, it seems to me, of American education moving as rapidly as it might in the direction of satisfying the intellectual purposes of our schools, colleges, and universities.

Our weaknesses are due, in part, I suppose, to the character of bureaucratic structure, where things move altogether too slowly. I personally think that much of what we do in the Office might just as well be done in half the time that we are taking. I'm aware that very often this is due to inadequate personnel. It's one thing to insist that we are not doing as well as we should; it's something else to provide more adequate staff in terms of numbers, and also in terms of salaries, to do the kind of job that is needed. I feel that very often the Congress is inclined to withhold from the Office of Education those very resources that are necessary to make it possible for the Office to do the things that the Congress rightly expects of it.

At any rate, you know as well as anyone else that in an operation of this kind there are many shortcomings and many deficiencies. Things move slowly. Very often it is impossible to attract to positions many of the people that you would like to attract to them. We've all had that experience because all of us are in one way or another responsible for the success or failure of our personnel recruitment efforts.

There are many things that could be said on the negative side, and I for one do not want to gloss over them. I think it would be a most unfortunate thing if we were not only entirely sensitive to the criticisms that come from without, but ready to be even more vigorous in our own criticism of ourselves. And I believe that the Office of Education should—and I say the same of all the educational institutions in the country—they should develop a more adequate technique and a more abundant spirit of self-criticism than has been customary with them; because, after all, it is the criticism that comes from within that is likely to make the largest difference in any educational enterprise.

But having said that, I want to return to my insistence that the strengths of the Office of Education far outreach in my honest opinion, the credit that has been given to the Office by people both in and outside the Government. Here, as you very well know, are tremendously important programs being efficiently administered and administered with a very high degree of integrity in the public interest, in what is often, it seems to me, a most remarkably selfless manner, programs which receive virtually no attention from the public and often nothing more than ceremonial attention from the Government itself. So I do want to insist to you that I am sincere when I say that it has been a matter of very great pride to be associated with you in the U.S. Office of Education.

I believe that the future of the Office deserves the careful and continuing consideration of all of us, and of all those who are interested in the future of American education. Many good things have come from the Office of Education in the past, and many, many more things must come from it in the future. It must be the chief source of leadership in American education—of leadership in ideas, leadership in incentive, and of genuine inspiration for the forward movement of American education. I have found, as a matter of fact, that many people in the Office of Education have been somewhat apologetic about the role which they have performed in relationship to education in the Nation at large, and it seems to me, in relationship to some institutions and some educational organizations. I would like to insist that the U.S. Office of Education should never be compared in any way whatsoever

with any of the educational organizations that represent institutions or that represent educational functions or that represent segments of the educational profession. It, in a sense, stands over and above any educational organization that we can identify simply by reason of its being a basic function and agency of the Federal Government, and it should, it seems to me, be the chief source of leadership in American education. I have no doubt that it will continue to be a source of genuine leadership and will continue to increase in its command of respect from the educational world.

Now in saying this, I would also like to insist that, in my opinion, there are very real dangers connected with the Federal Government's involvement with education and educational institutions. These dangers have always been present and they are present now. I have entire sympathy with those in and out of the Government who are continually alert to the danger of the Federal Government's taking an active part in educational enterprises of one kind or another. The danger is a perfectly obvious one. It is conceivable that if various kinds of safeguards were not maintained, the Federal Government could eventually come into some kind of control of the educational enterprise of the Nation and produce a monolithic structure of our educational establishment. This, it seems to me, would be a very great tragedy for the intellectual and cultural life, and the social structure of the Nation. This would be a most tragic thing, and it seems to me that those who are charged with the responsibility of formulating educational policies for the Federal Government and of administering educational programs established by the Federal Government have upon their shoulders a very large obligation to make sure that we do not move in the direction of the destruction of the kind of control and administration that in principle we now have over our schools, colleges, and universities.

I have read, as I know you have, numerous arguments in favor of State and local control of the schools and of the independence of our institutions of higher education. It seems to me that there are far better arguments than most of those that I have read, because so many of them have to do simply with a kind of national habit or convention on the one hand, or with matters that in the last analysis are trivial on the other. The main argument in favor of the kind of administration and control which we now have in this country, I would think, is that this kind of educational organization is clearly in part responsible for, and is reciprocally causally related to, the pluralistic structure and the democratic foundation of our society, and any major change in the control of education, which determines the intellectual and cultural processes of the Nation, must inevitably control the character of our society and, in various ways, the quality of our culture. Anyone who presumes to undertake to change this format of education that has for historic causes and reasons become a part, and a very fundamental part, of our social structure and cultural life, is certainly taking upon himself the very large responsibility of tampering with the democratic character of our institutions and our culture.

The kind of educational organization that we have is intimately and integrally tied up with the pluralistic foundations of our national life. And this, in turn, lies at the very foundation of our democratic institutions and our democratic ways of living. It is for this reason, it seems to me, that all who are associated with the tasks of the Office of Education or of any other Federal agency related to education have a major obligation to be genuinely vigilant in the matter of respecting the independence and the autonomy and the self-determination of our educational institutions, as far as their relation to the Federal Government is concerned.

The chief virtue which the Senate can claim over the General Assembly is the quality of realism. A Senator must deal in terms of clear realities—the sentiment at home, the administration's position, the limitations of the budget. The General Assembly, largely because of the number of new nations whose immediate aspirations exceed anything they have at hand, has found it hard to break through the insulation of idealism to come to grips with the situation which exists.

Few of its delegates, particularly those from the newer nations, can claim the variety and sophistication of experience which has been GORE's fortune, and many of its diplomats have difficulty in adjusting to the fact that the world forum is a hardboiled political exercise in which charm and blandishments are only one key to the alignment of votes. Some tend to be diverted by the wash of receptions and social bonhomie which are part of the New York scene.

In this atmosphere the United States needs most of all a demonstration of rugged character and unbending purposefulness. GORE has these qualities and he is likely to make them felt.

#### TRIBUTES TO MR. JUSTICE FRANK FURTER AND MR. JUSTICE GOLDBERG

**MR. HUMPHREY.** Mr. President, one of the most distinguished careers in the history of the U.S. Supreme Court ended yesterday and, I predict, another distinguished career began. Mr. Justice Frankfurter's seat on the Nation's highest tribunal was assumed by Mr. Justice Goldberg.

Mr. President, I was present for that inspiring and memorable ceremony and occasion.

In recent days many Members of this Body have risen to pay tribute to Justice Goldberg. I have rarely observed such great unanimity of feeling regarding an appointment to the Supreme Court. He was a great lawyer and Secretary of Labor. He will be a great justice. This Nation is most fortunate to have his wisdom and judicial experience at its command.

Similarly this Nation has been most fortunate to have had the services of Justice Frankfurter over the past quarter century. Felix Frankfurter has written his final opinion, but the wisdom he imparted to these opinions will remain with this country for decades. His legacy is indeed impressive and his contributions indeed historic. As Chief Justice Warren said yesterday:

As scholar, teacher, public servant, enlightened critic and member of this Court for almost a quarter of a century, Justice Frankfurter has already made a contribution to our jurisprudence rarely equaled in the life of our Court.

Mr. Justice Frankfurter's concern for objectivity, his scholarly dedication to the law, his respect for the executive and legislative branches, and his abundance of common sense constituted his unique contribution to the work of the Court over the past 25 years.

In a letter addressed to his former colleagues on the Court, Mr. Justice Frankfurter again gave evidence of these qualities as he testified to his abiding faith in the role of reason as the central element in the judicial process, and the importance of these processes to the health of our democratic system.

He writes, in part:

My years on the Court have only deepened my conviction that its existence and functioning according to its best historic traditions are indispensable for the well-being of the Nation. The nature of the issues which are involved in the legal controversies that are inevitable under our constitutional system does not warrant the Nation to expect identity of views among the members of the Court regarding such issues, nor even agreement on the routes of thought by which decisions are reached. The Nation is merely warranted in expecting harmony of aims among those who have been called to the Court. This means pertinacious pursuit of the processes of reason in the disposition of the controversies that come before the Court. This presupposes intellectual disinterestedness in the analysis of the factors involved in the issues that call for decision. This in turn requires rigorous self-scrutiny

realize that you will not be in your accustomed chair, which you filled with such distinction and in such good fellowship with your colleagues for almost a quarter of a century.

All of us, except Mr. Justice White, our newest member, have served with you for years and we, more than any others, will feel the loss that comes from your retirement. We regret the necessity for it, but we reluctantly accept your decision because your doctor has told you and us that if this course is pursued there will be opened to you new avenues of usefulness to the profession to which you dedicated yourself 60 years ago.

Every one of those years was an eventful year for you as you strained every fiber of your mind and body to the administration of justice and to the welfare of the Court. Few men in the life of the Supreme Court have made contributions to its jurisprudence equal to your own. As a scholar, teacher, critic, public servant, and a member of the Court for 24 terms, you have woven your philosophy of law and your conception of our institutions into its annals where all may read them and profit thereby.

Your retirement does not end our association. It merely changes the form of it. You will always be one of us, and after rest and relaxation from the rigors of the Court work restore you to health, we look forward to years of continued happy association with you. In the meantime, our best wishes for a rapid recovery will always be with you.

Sincerely,

EARL WARREN.  
HUGO L. BLACK.  
WM. O. DOUGLAS.  
TOM C. CLARK.  
JOHN M. HARLAN.  
WM. J. BRENNAN, Jr.  
POTTER STEWART.  
BYRON R. WHITE.

TEXT OF JUSTICE FRANKFURTER'S LETTER TO THE CHIEF JUSTICE AND ASSOCIATE JUSTICES

SEPTEMBER 28, 1962.

**MY DEAR BRETHREN:** It would be unnatural for me not to address you thus. Although you have been apprised that I have advised the President of my decision to retire as of August 28, under the appropriate provisions of law, as an active member of the Court. I still address you as I do, for the endeavors which the business of the Court entails in the daily intimacy of our association have forged bonds of fellowship which cannot be abruptly severed. The final manifestation of your fraternal feelings toward me, your letter of September 27, your generous words of farewell, are a cheering close to our uniformly happy curial relations over the years, and I shall enduringly cherish your moving letter. Retiring from active membership on the Court of itself would involve a wrench in my life, but the fact is that I have served the Court in one professional way or another almost from the day that I ceased to be a law student, not merely during the years that I have actually been on the Bench.

My years on the Court have only deepened my conviction that its existence and functioning according to its best historic traditions are indispensable for the well-being of the Nation. The nature of the issues which are involved in the legal controversies that are inevitable under our constitutional system does not warrant the Nation to expect identity of views among the members of the Court regarding such issues, nor even agreement on the routes of thought by which decisions are reached. The Nation is merely warranted in expecting harmony of aims among those who have been called to the Court. This means pertinacious pursuit of the processes of reason in the disposition of the controversies that come before the Court. This presupposes intellectual disinterestedness in the analysis of the factors involved in the issues that call for decision. This in turn requires rigorous self-scrutiny

Indeed the entire country looks forward to the many contributions to our public life that Felix Frankfurter still has before him. He is a great American and I salute him.

Mr. President, I ask unanimous consent that the text of the letters between the Justices of the Supreme Court and Justice Frankfurter be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

TEXT OF A LETTER TO RETIRING ASSOCIATE JUSTICE FELIX FRANKFURTER FROM CHIEF JUSTICE EARL WARREN AND ASSOCIATE JUSTICES OF THE SUPREME COURT

SEPTEMBER 27, 1962.

**DEAR JUSTICE FRANKFURTER:** As the opening day of our 1962 term approaches, it becomes increasingly difficult for all of us to

to discover, with a view to curbing, every influence that may deflect from such disinterestedness.

I have spent happy years in my fellowship with you and I carry away the abiding memory of such happy years of comradeship in grappling with problems worthy of the best in fallible men.

My best wishes for happy, long years for each of you and continued satisfying labors, and every good wish that the Court may continue its indispensable role in the evolution of our beloved Nation.

With the happiest memories, I am

Sincerely and faithfully yours,

FELIX FRANKFURTER.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KUCHEL. I, too, was honored to be in attendance yesterday at the Supreme Court chambers when Mr. Justice Goldberg took the oath of office as an Associate Justice of our Nation's highest tribunal. Many Senators and others, of all shades of public opinion, have paid tribute to the great qualities of the new member of the U.S. Supreme Court. Yesterday those who were in attendance, including the President and Vice President of the United States, the Speaker of the House of Representatives, and on down to the rest of us, witnessed the moving spectacle of the simple but precise oath required of a Justice of the Supreme Court of the United States. We were deeply moved to see the welcome which was given to the new member of the Court, not alone by his brethren on the Court, but also by those in attendance and, indeed, people across the country.

I join the Senator from Minnesota also in paying tribute to a great retiring Justice, Felix Frankfurter, who has marked for himself a high and splendid reputation as an American, a lawyer, and a judge of great vision, courage, and integrity. I join also in prophesying that Mr. Justice Goldberg will follow that same high path in making the U.S. Supreme Court the continuing symbol of equal justice under law in our country.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the amendments of the House to the bill (S. 2697) to waive certain time limitations prescribed in chapters 33 and 35 of title 38, United States Code, in the case of certain veterans and eligible persons ordered to active duty with the Armed Forces, or whose period of duty with the Armed Forces was involuntarily extended, on or after August 1, 1961.

The message also announced that the House insisted upon its amendment to the bill (S. 3597) to amend title 38, United States Code, to permit for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TEAGUE of Texas, Mr. DORN, Mr.

EVERETT, Mr. AYRES, and Mr. ADAIR were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. KIRKMAN, Mr. FOGARTY, Mr. JENSEN, and Mr. TABER were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 7600. An act to amend title 38, United States Code, to revise the effective date provisions relating to awards, and for other purposes; and

H.R. 9342. An act to provide for an exchange of lands between the United States and the Southern Ute Indian Tribe, and for other purposes.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H.R. 6190. An act to amend title 38 of the United States Code to provide for the repair or replacement for veterans of certain prosthetic or other appliances damaged or destroyed as a result of certain accidents;

H.R. 8556. An act to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and for other purposes; and

H.R. 9737. An act to amend section 641 of title 38, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amounts collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws;

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 683. An act to authorize the Donna-Rio Bravo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Donna, Tex.; and

H.R. 9491. An act to provide for the removal of an encumbrance on the title of certain real property heretofore conveyed to the board of education of the Vallejo School District, Vallejo, Calif., by the U.S. Housing Corporation.

#### ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 699 An act to amend the act entitled "An act to Incorporate the Hungarian Reformed Federation of America," approved March 2, 1907, and for other purposes;

S. 3120. An act to amend section 6 of the act of May 29, 1884;

S. 3152. An act to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program;

S. 3156. An act to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes;

S. 3396. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 3431. An act to consent to the amendment of the Pacific marine fisheries compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment;

S.J. Res. 211. Joint resolution providing for the establishment of an annual National School Lunch Week; and

S.J. Res. 228. Joint resolution authorizing the issuance of a gold medal to General of the Army Douglas MacArthur.

#### HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 683. An act to authorize the Donna-Rio Bravo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Donna, Tex.; to the Committee on Foreign Relations.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. HUMPHREY. Mr. President, I have had brought to my attention certain articles and editorials which I believe best express the importance of our foreign aid program and the contribution this country is making to the overall program of economic assistance to the underdeveloped areas of the world. I ask unanimous consent that an editorial entitled "Multilateral Foreign Aid" that appeared in the Washington Post on Friday, September 21, be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

##### MULTILATERAL FOREIGN AID

Eugene R. Black, the distinguished President of the World Bank, raised an important foreign aid issue when he asked whether "we are likely to get the best results if \* \* \* funds are supplied on a bilateral basis—direct from one government to another—or should they be channeled through, and administered by, a multilateral agency?"

While he readily conceded that bilateral aid is an important instrument of foreign policy, Mr. Black's telling criticisms of those programs cannot be ignored. Aid that is "offered or exacted as a price in political bargaining" is frequently used in a manner which fails to take account of the obvious economic priorities of the underdeveloped recipients. Prestige projects—sports arenas and elaborate air terminal facilities—sometimes take precedence over vitally necessary programs for irrigation, housing, and rural highway construction. And the long overdue reform of the systems of land tenure and

taxation, without which rapid growth is impossible, are delayed when bilateral assistance prolongs the lives of hopelessly backward political regimes.

The positive case for expanding multilateral foreign aid through the international agencies which Eugene Black has managed with such consummate skill rests on a series of important economic considerations. If aid were principally administered through international agencies, the recipient countries would be free to make purchases in the cheapest markets; they would be placed under greater obligation to institute reforms; and they would draw upon the experiences and technological resources of many smaller countries that are not now able to engage in programs of bilateral assistance.

There are very real obstacles that preclude the possibility of a rapid shift to multilateral foreign assistance, but Under Secretary of State George W. Ball indicated a willingness to expand such programs when he supported Mr. Black's request for an expansion of the resources of the International Development Agency, a World Bank affiliate.

**Mr. HUMPHREY.** The editorial points out the importance of our economic assistance being channeled more and more into the multilateral international agency type of institution.

I ask unanimous consent that an article published in the Washington Post on Friday, September 21, relating to the President's speech before the governors of the World Bank and the International Monetary Fund, together with the President's speech, be printed at this point in the RECORD.

There being no objection, the article and speech were ordered to be printed in the RECORD, as follows:

#### KENNEDY URGES NATIONS TO INCREASE AID SHARES

(By Frank C. Porter)

President Kennedy yesterday called upon other nations to assume a greater share of the world's monetary and foreign-aid burdens.

He also reaffirmed the U.S. resolve to meet its "special responsibilities, as one of the leaders of the free world, as its richest and most powerful nation, as possessor of its most important currency, and as the chief banker for international trade."

Among American obligations, the President gave first priority to the elimination of the deficit in our balance of international payments "without resorting to deflation or retreating to isolation."

Mr. Kennedy delivered a major economic address before an overflow crowd at the joint annual meetings of the World Bank and International Monetary Fund at the Sheraton-Park Hotel.

"No other country or currency has borne so many burdens," the President said. "But we cannot and should not bear them all alone."

By recognizing that "some sharing of responsibilities has already been achieved," Mr. Kennedy made it clear that he feels other industrialized nations, particularly in Europe, can and should shoulder an even greater share.

The President also pointedly reminded his audience, which included the free world's top financial and economic leaders, that the United States since 1946 has spent "some \$88 billion overseas for the defense and aid of others. The European nations alone received some \$26 billion in economic aid."

A Fund source noted that President Kennedy, who is credited with a greater interest in economic affairs than most of his predecessors, went well beyond the greetings and

felicitations offered by previous American Presidents at Bank-Fund meetings.

There was speculation that he deliberately chose the opportunity of addressing the guardians of the West's pursestrings to make his strongest plea yet for sharing monetary and foreign aid responsibilities.

Much of the President's speech was devoted to the strength of the dollar, which he said "has been at or near the top of my own agenda" since taking office.

The dollar is not only a national, but also an international currency, Mr. Kennedy explained. "It is the most effective substitute for gold in the international payments system. If the dollar did not exist, as reserve currency, it would have to be 'invented.'"

Consequently, the security of the dollar "is and ought to be of major concern to every nation here," Mr. Kennedy continued. "To undermine the strength of the dollar would undermine the strength of the free world."

A year ago at the Bank-Fund meetings in Vienna, widespread doubts as to the dollar's stability led to a flood of advice from Europeans as to American monetary and fiscal disciplines needed to protect it.

But at the present meetings, numerous speakers, including Per Jacobsson, Managing Director of the Fund, have pointed to increasing strength in the dollar. The day after Jacobsson spoke, in fact, the pound sterling dropped below par with the dollar for the first time in 13 months.

The Finance Minister of a top European nation, for example, privately dismissed any possibility of a rise in the price of gold and said he hoped the whole question of dollar devaluation "will be dead and buried."

Instead, the current meetings have concerned themselves more with making more long-term, low-interest aid available to underdeveloped nations, whose expanding need for funds is outstripping their ability to repay conventional loans.

President Kennedy took note of this in pledging U.S. support for a plan to increase the resources of the International Development Association, a World Bank affiliate that extends 50-year credits at interest rates of less than 1 percent.

He also paid warm tribute to retiring Bank President Eugene R. Black and said he hopes "the rest of us" will increase our own efforts "in pursuing the goals he set."

These include, Mr. Kennedy said, greater capital assistance to less developed areas, maintenance of easily accessible markets in the industrialized nations for products of the growing countries, commodity and other agreements to help stabilize the export earnings of these nations, and greater efforts by these nations themselves to mobilize effectively manpower and resources.

"We who are meeting today do not intend to be mastered by our money or by our monetary problems," the President concluded. "We intend to master them, with unity and generosity—and we shall do so in the name of freedom."

#### TEXT OF PRESIDENT'S BANK AND FUND SPEECH

Mr. Chairman, members of the Board of Governors, and distinguished guests, this is my first opportunity to take part in your annual meetings and to welcome you here to Washington—and I do so with genuine pleasure. For you are concerned with the problems which have been among my primary concerns since the day I took office exactly 20 months ago; and in that time I have come to appreciate how vital a role is played by the International Monetary Fund and the International Bank for Reconstruction and Development and its affiliated institutions. The work of the International Development Association is particularly important—and this country fully supports the proposal that the Executive Di-

rectors develop a program to increase its resources.

The pioneering practices of the Bank—which have set a standard for others to follow—will sorely miss the services of Eugene Black. I hope he will permit us to call upon his wise counsel in the future—and that the rest of us, in pursuing the goals which he set, will increase our own efforts—including efforts in the industrialized countries to provide greater capital assistance to the less developed areas—efforts also in the industrialized countries to maintain at home prosperous and easily accessible markets for the products of the growing nations—efforts to reach commodity agreements and other arrangements which will help stabilize the export earnings of those nations—and, finally and most importantly, greater efforts in the developing nations themselves to mobilize effectively their own people and financial resources, and to make certain that the benefits of increased output are shared by the many and not by the few.

In addition to these discussions on the role of the Bank, your meetings this year, as was true last year, are giving top attention to the state of the dollar—and that has been at or near the top of my own agenda during this last year and a half.

We in the United States feel no need to be self-conscious about discussing the dollar. It is not only our national currency—it is an international currency. It plays a key role in the day-to-day functioning of the free world's financial framework. It is the most effective substitute for gold in the international payments system. If the dollar did not exist, as a reserve currency, it would have to be "invented"—for a volume of foreign trade already \$130 billion a year and growing rapidly, accompanied by large international capital movements, cannot rest solely on a slowly growing stock of gold which now totals only \$40 billion.

The security of the dollar, therefore, is and ought to be of major concern to every nation here. To undermine the strength of the dollar would undermine the strength of the free world. To compete for national financial security in its narrowest sense by taking individual actions inconsistent with our common goals would in the end only impair the security of us all.

I recognize that this Nation has special responsibilities—as one of the leaders of the free world, as its richest and most powerful nation, as possessor of its most important currency, and as the chief banker for international trade. We did not seek all of these burdens—but we do not shrink from them. We are taking every prudent step to maintain the strength of the dollar, to improve our balance of payments, to back up the dollar by expanding the growth of our economy.

We are pledged to keep the dollar fully convertible into gold—and to back that pledge with all our resources of gold and credit. We have not impaired the value of the dollar by imposing restrictions on its use. We have not imposed upon our citizens in peacetime any limitations on the amount of dollars they may wish to take or send abroad. We have followed a liberal policy on trade. And we have continued to supply our friends and allies with dollars and gold to rebuild their economies and defend their freedom.

All this we have willingly done. No other country or currency has borne so many burdens. But we cannot and should not bear them all alone. I know that other countries do not expect us to bear indefinitely both the responsibilities of maintaining an international currency and, in addition, a disproportionate share of the costs of defending the free world and fostering social and

economic progress in the less developed parts of the world. Concern over our imbalance of payments is not our concern alone—for it is not caused by our own narrow self-interest. Our deficit this year is expected to approximate \$1.5 billion, a considerable improvement over last year's \$2.5 billion and even higher in the years before. But our total gross military expenditures abroad are \$3 billion alone. Our dollar aid expenditures abroad are \$1.3 billion. The dollar itself is strong—and our commercial trade, excluding exports financed by AID, produces a surplus of nearly \$3 billion. In short, our balance-of-payments deficit is not the result of any monetary or economic mismanagement, but the result of expenditures our people have made on behalf of the people of the free world.

In 1946 the United States held over 60 percent of the world's supply of gold. Now we are down to 40 percent. And during that time we have spent some \$88 billion overseas for the defense and the aid of others. The European nations alone received some \$26 billion in economic aid. The United States as a result no longer has a disproportionate share of the free world's gold, economic strength—or economic responsibility.

That is why I emphasize once again: these are not American problems, they are free world problems. They are problems which cannot be met by one nation in isolation or by many nations in disarray. They are not the sole concern of either the rich or the poor, of either deficit or surplus nations alone. When burdens are shared, there is no undue burden on any nation. When risk is shared, there is less risk for all. And cooperative efforts to defend the international currency system based primarily on the dollar, and to share other responsibilities, are not, therefore, based on appeals to gratitude or even friendship, but on the hard and factual grounds of self-interest and commonsense.

Of course, the United States could bring its international payments into balance overnight if that were the only goal we sought. We could withdraw our forces, reduce our aid, tie it wholly to purchases in this country, raise high tariff barriers and restrict the foreign investments or other use of American dollars. Such a policy, it is true, would give rise to a new era of dollar shortages, free-world insecurity and American isolation—but we would have "solved" the balance-of-payments problem.

But the basic strength of the dollar makes such actions as unnecessary as they are unwise. They would not only be inconsistent with the responsibility and the role of the United States in the world today; they would—because of the crucial role of the dollar—be utterly self-defeating. All of us here are determined to follow the only other feasible course—not the unacceptable courses of restriction and isolation, or deflation, but the course of true cooperation—of liberal payments and trade—of sharing the cost of our NATO and Pacific defenses—of sharing the cost of the free world's development aid—and of working together on steps to greater international stability, with other currencies in addition to the dollar bearing an increasing share of its central responsibilities.

We in the United States recognize that our own obligation in this regard includes, as a matter of first priority, taking action to eliminate the deficit in our balance of payments, and to do so without resorting to deflation or retreating to isolation.

I have spoken frankly at this meeting because these two successful institutions, the Bank and the Fund, have long flourished in a spirit of candor, and have consistently shown a reliable capacity to respond both flexibly and effectively to new needs and new challenges. This spirit of cooperation and

candor and initiative will, I know, continue in the future. For only in this spirit can we hope to maintain a sturdy free-world financial system, with stable exchange rates, capable of supporting a growing flow of trade and foreign investment, free from discrimination and restrictions.

I have spoken frankly, moreover, because I believe the current strength of the dollar enables us to speak frankly and with confidence. Some sharing of responsibilities has already been achieved. Considerable progress in the balance of our international accounts has been made. A new agreement among 10 industrialized countries to supplement the resources of the fund, with special borrowing arrangements of up to \$6 billion, has been concluded, and implementing action will be completed by the U.S. Congress within the next few days or weeks. Less formal arrangements between the major trading countries have also been evolved to cope with any potential strains or shocks that might arise from sudden movements of capital. These arrangements, I should add, contain within themselves the possibility of wider and more general applications—and this country will always be receptive to suggestions for expanding these arrangements or otherwise improving the operation and efficiency of the international payments system.

All of this is ground for confidence—for making it increasingly clear that no extreme or restrictive measures are needed, that speculation against the dollar has lost its allure, and that the economy of the United States can continue to expand in a framework based on the maintenance of free exchange and the early achievement of equilibrium. The expansion in our domestic economy, while not all that we had hoped, has been substantial—and of equal importance, it has been accompanied by price stability. Wholesale prices for industrial goods are actually lower today than they were during the recession months of 1961.

Nevertheless, I do not underestimate the continuing challenge which faces us all together. The very success of our efforts—the very prosperity of those who have prospered—imposes upon us special obligations and special burdens. Centuries ago the essayist Burton referred with scorn to those who were "possessed by their money" rather than possessors of it. We who are meeting here today do not intend to be mastered by our money or by your monetary problems. We intend to master them, with unity and generosity—and we shall do so in the name of freedom.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Poland and Yugoslavia," published in the Minneapolis Tribune on September 21, relating to an issue that we have debated with considerable heat and emotion in the Senate.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### POLAND AND YUGOSLAVIA

Some people may honestly get some emotional satisfaction if the proposed ban on all U.S. economic assistance to Poland and Yugoslavia is allowed to remain as part of present foreign aid legislation. But will the best interests of the Nation be served?

No one thinks that any U.S. aid is going to cause either country to throw in with the West in the global power struggle, or even to lean visibly in a westward direction.

Poland can't, being surrounded by Soviet army forces (in both East Germany and Russia).

Yugoslavia isn't thus surrounded, but it does have a Communist economic-political

system which is different enough from Russia's to cause strains between Moscow and Belgrade but is still Communist enough to cause the Yugoslavs to follow too close to the Soviet line for the liking of most Americans.

Still, neither the Poles nor the Yugoslavs are the kind of slavish Soviet satellites that, for example, the Czechs or Romanians or Bulgarians are. They resent the degree, or attempted degree, of Russian overlordship. And it is in our best interests to encourage that resentment—against the possible day of unforeseen crisis when it might pay unexpected dividends.

It does seem, too, that whenever a people nourish a spark of independence, this Nation, dedicated as it is to the ideal of independence, should be inclined to help them keep that spark alive.

Mr. HUMPHREY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. HUMPHREY. How much time does the opposition have remaining?

The PRESIDING OFFICER. Fourteen minutes.

Mr. HUMPHREY. I yield 5 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, it is my firm belief that the entire concept of foreign aid, as it now exists, is ill-conceived and based upon incorrect evaluations. To fortify this conclusion one needs but to look at the results which our foreign aid program has attained in these few short years. Rather than extending freedom throughout the four corners of the globe, we are now faced with the firm entrenchment of the international Communist conspiracy just 90 miles from our shores in Cuba. It is readily apparent to me, and I believe that it should be to everyone, that it is folly to assume that we can buy the respect and friendship of foreign nations. The respect which the United States deserves as the foremost defender of liberty in the world has, from the inception of our Republic, been earned and not bought.

The undeveloped and underdeveloped so-called "emerging" nations should be treated with the same firmness of purpose and honesty which has gained the United States the respect of our long-time allies. It should be considered by them to be an act of international blackmail if we attempt to gain their respect and friendship through the coercive influence of the root of all evil—money. I submit that this is exactly the case in the world today. These so-called "emerging" nations will naturally turn their allegiance toward any nation or group of nations which wields power, and by that power, commands the respect of the so-called "uncommitted" nations. If the United States is to maintain and strengthen its role in international affairs, we must seek to gain, not just the friendship of the peoples of other countries, but the respect of all peoples in other countries, even our enemies. To do this we must remain strong economically, as well as militarily, and stand firm in our convictions, demanding what is our right through treaties and international law.

My weekly report to the people which came out this week is devoted to the subject of foreign aid. I ask unanimous

consent that this newsletter, entitled "Foreign Aid—Boon or Boondoggle?" be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, I believe that the Senate has abdicated its constitutional duty when the wording of the House of Representatives in sections 107 and 109 of this bill, H.R. 13175, was rejected. It has been argued both during the consideration of the appropriation and when the authorization legislation was before the Senate, that the executive branch has the responsibility for the conduct of foreign affairs. I certainly agree with this argument, but I fail to see that it has any application in this instance. Congress, and Congress alone, has the duty to appropriate funds from the Treasury of the United States. The power of appropriation carries with it the power to determine who or what country will be the recipient of these funds. By adopting the Senate Appropriations Committee language, the Senate has said: "We don't want to make this determination. We will leave it to the President." I firmly believe that this is too great a burden for any one man to shoulder. The President should welcome a congressional determination in this field, and Congress should, by all means, be willing to face up to the problem.

#### EXHIBIT 1

[From newsletter "STROM THURMOND Reports to the People"]

#### FOREIGN AID—BOON OR BOONDOGGLE?

One of the final issues which always has to be resolved before adjournment of the Congress is the issue of foreign-aid appropriations. Each year the Congress has been taking a harder look at foreign aid spending because of increasing examples of boondoggling and waste, more aid to more countries (including Communist countries), strong indications that this "temporary" program will never end, and concern that this program has had little effect for our side in the cold war.

Congressman OTTO PASSMAN, of Louisiana, the man who handles the foreign-aid spending bill in the House, has studied this program inside and out for many years. In convincing his committee and the House to go along with a cut of \$1.1 billion in the President's aid request for fiscal year 1963, the Congressman made this assessment of aid effectiveness over the years: "The nations we help the most are kicking us the hardest in the teeth. There is no indication that all the money you (aid officials) have given has changed the international situation one iota."

Since World War II, the Congress has voted more than \$100 billion in aid to 101 of the world's 113 nations. Instead of tapering off on the program, the Congress has been asked to increase it and to hold the line for even Communist countries. When the foreign-aid authorization bill was considered earlier in the year, the Senate tacked on a rider prohibiting aid to Communist countries. Extreme pressure was exerted, however, and this provision was modified by the House. Now the House has reinstated this provision in the appropriation bill. In addition, the House wrote in a prohibition against aid to any country permitting its ships to haul supplies to or give any assistance to Cuba.

Congressman PASSMAN has told me that he and his House conferees are not prepared to yield on dollar figures or language to Senate liberalization of the bill. If the Congressman can prevail in his position, he will have rendered a great service to his country. He has been liberally criticized by the White House, the State Department and the so-called liberal prestige press for his restrictive amendments and cuts, but he has a solid report full of good statistics to bolster his position.

Here are some valid reasons for cutting aid: (1) as of June 30, 1962, aid officials had \$7 billion in unexpended funds; (2) instead of following congressional orders to cut funds to neutralist nations attending the Belgrade Conference, where the United States was criticized and the U.S.S.R. was not, aid officials have requested an extra \$142 million to give to these countries; (3) after administration criticism of aid reductions in previous years, testimony in each subsequent year has indicated that the reductions were not harmful, but were in fact helpful; (4) numerous projects have been started all over the world without having been justified to the Congress; (5) aid officials delayed more than 2 months after the budget was sent to Congress to try and explain proposed projects to the Passman subcommittee; (6) according to Congressman PASSMAN, total foreign-aid spending of all types amounts to approximately \$12 billion annually instead of the annual \$4 billion voted for that part designated as the foreign aid bill; (7) foreign aid has direct adverse effects on our gold outflow problem; and (8) investigators continue to find more examples of wasteful and extravagant aid, such as to build a \$10 million palace for President Tubman of Liberia and a \$3.1 million "floating luxury palace" for Emperor Haile Selassie of Ethiopia.

Since the House acted on the bill, the General Accounting Office has charged that the \$1.2 billion aid program for Korea from 1957-61 stunted that nation's growth and encouraged corruption. GAO auditors found that the level of aid was "beyond the capacity of the Korean economy to absorb productively or of its government to administer efficiently." Also, Congressman PAUL ROGERS, of Florida, has raised the question of whether U.S. foreign-aid grain is being transhipped to Cuba. A Senate Internal Security Subcommittee report has stated that Communist Yugoslavia, which gets aid from us, has an aid program of its own to Communist, Socialist, and Neutralist countries to keep them away from the Western World. And, we give Mr. Tito aid, even aircraft and uranium.

There may be justification for some aid, mainly military and some economic loans—but, only to our friends who are willing to stand with us in a cold or hot war.

Sincerely,

STROM THURMOND.

The PRESIDING OFFICER. The time of the Senator has expired.

#### THE 40TH ANNIVERSARY OF THE FOUNDING OF THE RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. MANSFIELD. I yield 3 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 3 minutes.

#### ROA HAS FINE RECORD IN AREA OF NATIONAL DEFENSE

Mr. YARBOROUGH. Mr. President, I desire to add briefly to what has been said about the Reserve Officers Association and its 40th birthday.

ROA is a fine organization and is de-

serving of the high praise which we have heard given it. The ROA, in existence since 1922, has as its primary objective the support of a military policy for the United States that will provide adequate national security and promote the development and execution of this policy.

In 1950, the Congress recognized the significance of the contributions of the ROA in the area of national defense by issuing a charter to the association. Today, the ROA remains one of the outstanding, patriotic organizations with special knowledge, experience, industry, and dedication.

My own association with the members of the ROA has been a rich experience in my life.

The association's work this year is particularly meaningful to me because its president is a Texan, and two of its other national officers are from that great State.

Lt. Col. Robert C. Hammond, of San Antonio, is the national vice president for air force. Colonel Hammond, who is on active duty with the Air Force, recently returned from the Far East where he served for 2 years. He is an experienced pilot and one who is serving in his ROA position with dignity and competence. The ROA junior vice president for Navy also is a Texan, Lt. John R. Trice, of Waco.

Our new national president is Maj. Gen. John H. Foster. General Foster, a longtime flier, is deputy commander of the 12th Air Force, and is chairman of the Tactical Air Command's Reserve Policy Board. Recognized as one of the Nation's Reserve leaders, he has served for the past 3 years as a member of the Defense Department's Reserve Forces Policy Board.

He was unanimously elected by the ROA convention, after similar selection as its nominee by the Air Force section. He was given a standing ovation by the convention, which also cheered ROA's new first lady, Mrs. Phoebe Foster, herself a gifted speaker and a nationally known leader in the Episcopal Church. The Fosters maintain their home at 111 Sheraton Drive, San Antonio, Tex.

A native of Waco, General Foster first came to San Antonio from the University of Texas for flight training at Brooks Field. He was commissioned a second lieutenant in 1931. An active reservist for 10 years he was called to active duty in 1941. He organized and commanded the first radio controlled target squadron, later supervising 25 such squadrons from Air Corps Headquarters in Washington. Some phases of the present missile program had their beginning in this work.

Early in World War II, he became deputy commander of the 16th Heavy Bombardment Wing and later joined the combat operations section of the Mediterranean Allied Air Force. He received the Bronze Star Medal and the Order of the British Empire for distinguished service in the Mediterranean. He was promoted to full colonel in December 1944. He won his first star in 1954 and made major general in 1961.

Continuing active in the Reserves after the war, General Foster organized and

commanded for 10 years the 433d Troop Carrier Wing. His present Reserve as businessman, General Foster has served with the "Fighting 12th" Air Force.

An outstanding civic leader as well as business man, General Foster has served as vice president of the San Antonio Chamber of Commerce and for three terms was chairman of its military affairs committee. He is chairman of the Southwest Texas Multiple Sclerosis Society, the Episcopal Churchman's Association of West Texas, the American Legion, the American Red Cross, the Life Underwriters, and the Community Chest.

In ROA, General Foster organized and headed the Alamo wing of ROA, and for the past 2 years has been national executive committeeman.

In addition to his other activities, during the past year he accepted the job as memorial building fund chairman for ROA, and within a few months had brought Texas from last place standing in the association to 15th place.

I ask unanimous consent that the following congratulatory messages on the 40th birthday of ROA published in the October 1962 edition of the Officer, the official publication of the Reserve Officers Association, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,  
Washington, D.C., September 7, 1962.  
Maj. Gen. JOHN H. FOSTER,  
President, Reserve Officers Association of the  
United States, Washington, D.C.

DEAR GENERAL FOSTER: Your association, in the four decades of its activity, has established an enviable record of service, particularly in its emphasis on the importance of Reserve Forces to national defense. Certainly this interest in a strong and active Reserve is close to our national tradition, and the attainment of a military posture, adequate to the security interests of the Nation, is worthy of every citizen's support.

As we move through these difficult times, it is a great source of strength to me, as Commander in Chief, and I am sure to the members of the Government, both in the executive and the Congress, to know that we have the strong support of your members. I am confident that the Reserve Officers Association will, as it has in the past, continue to take the broad and objective view as a guideline in its activity.

On your 40th anniversary, my congratulations to the Reserve Officers Association for its notable achievements. My best wishes for future years of successful activity.

Sincerely,

JOHN F. KENNEDY.

#### FULL CONTRIBUTION MADE TO PRESERVATION OF FREEDOM

I am pleased to add my voice to the many others who extend congratulations to the Reserve Officers Association upon the occasion of its 40th birthday.

Throughout the history of this Nation, our military Reserve forces have responded in the time of need and made their full contribution to the preservation of our freedom. The need for such devoted service is as great today as at any time in our history, and I know that the Reserve Officers Association will continue to make its full contribution to insure the continuing high quality of our Reserve forces.

CARL VINSON,  
Chairman, House Armed Services Committee.

#### ROA'S OBJECTIVE SHARED BY ALL WHO LOVE COUNTRY

The Reserve Officers Association deserves hearty congratulations on its 40th birthday.

The objective of the ROA—to support a military policy for the United States that will provide adequate national security—is one that is shared by all of us who love our country.

The ROA has many significant accomplishments of which it may justifiably be proud. I extend best wishes for your continued success.

RICHARD B. RUSSELL,  
Chairman, Senate Armed Services Committee.

#### ARMY SECRETARY VANCE SALUTES ROA TRADITION

Congratulations to the Reserve Officers Association of the United States on its 40th anniversary.

The ROA's support of a military policy of a strong national defense long has been a significant factor in the effort to maintain—and strengthen—the security of the United States. In sending congratulations and appreciation to the ROA for its four decades of service to the Nation, I include my best personal wishes for its future success. It is my sincere hope and conviction that the association will continue in the fine tradition to which the ROA has conformed throughout its distinguished history.

CYRUS R. VANCE,  
Secretary of the Army.

#### PAUL SAYS RESERVES PROVE SOURCE OF STRENGTH

The 40th anniversary of the Reserve Officers Association of the United States comes at an opportune time in that it also marks the termination of the most recent participation of the Reserve Forces in support of national mobilization. For this reason I am particularly appreciative of this opportunity to congratulate the Reserve Officers Association on the important contribution which its members continue to make to the national security and welfare of the country.

As in two World Wars and in Korea, the Reserve Forces of the Nation have been a source of military and national strength. This vital role was again demonstrated in the limited mobilization which was recently concluded. Here again, in the cold war, the Reserve Forces provided the means of rapidly strengthening our military capability to demonstrate the determination of the United States to protect its interests and to provide for our national security.

As the Reserve Officers Association looks back over its 40 years of activity and the progress to which it has contributed, it merits every assurance that its future will be equally rewarding. It is with confidence that I wish the Reserve Officers Association of the United States and its membership continued success and honorable service.

NORMAN S. PAUL,  
Assistant Secretary of Defense (Manpower).

#### ROA ASSISTS IN BUILDING OFFICERS

The Reserve Officers Association of the United States has consistently rendered valuable assistance to the U.S. Army. Its membership, which includes leaders in all services and communities in the United States, has consistently supported our efforts toward security through a strong, well-balanced national Military Establishment including Ready Reserve Forces. The members of your chapters perform a most valuable service, also, in creating an awareness among our public of the need for adequate strength, funds and equipment to accomplish our mission.

As you know, Reserve officers today comprise a large segment of our Active Army officer corps and those of our sister services.

Their performance meets the highest standards of military service in every aspect. The same can be said for those officers who, although not now on active duty, stand ready to respond swiftly and surely in any emergency. The Reserve Officers Association, during its 40 years of existence, has provided invaluable assistance in building this truly professional force of Reserve and Regular officers.

I would like to take this opportunity to congratulate the officers and members of the association for your outstanding achievements and to assure you of my continued support.

HERBERT B. POWELL,  
General, U.S. Army,  
Commanding, Conarc.

#### PAST YEAR ONE OF REMARKABLE ACHIEVEMENT

The past year has been a year of remarkable achievement for the Air Force and its Reserve Forces. We have seen our efforts to attain the greatest possible total capability pay dividends in the effective performance of reserve units ordered to active duty.

The progress which has been made in improving the stature of our Reserve Forces is the result of the combined labors of active duty personnel, reservists, and groups such as the Reserve Officers Association which have enhanced our efforts by their interest and support.

I congratulate the Reserve Officers Association on its 40 years of patriotic service to our Nation. I look forward to the continuation of the fine relationship between your organization and the U.S. Air Force.

CURTIS E. LE MAY,  
General, USAF,  
Chief of Staff.

#### LEGION COMMANDER PRAISES ROA ROLE

On October 2, 1962, the Reserve Officers Association will have ample justification to celebrate 40 years of dedicated, patriotic service. From its modest beginning in 1922, ROA has grown in size and prestige until today it plays a most important role in shaping our Nation's military policy.

ROA has compiled a most enviable record by its continuing efforts to build and maintain the Reserve Forces of all the services as significant elements of the Nation's military forces. The records of two World Wars and Korea, and last year's cold-war callup, have amply shown the wisdom of the programs and policies your association has supported.

It is a very great personal honor for me to extend congratulations to General Foster and to the dedicated members of your association on this noteworthy occasion, and to wish for them many more years of continued success.

CHARLES L. BACON,  
National Commander, the American Legion.

#### ROA MOST RELIABLE, HELPFUL FORUM

Congratulations to the Reserve Officers Association of the United States on the occasion of their 40th birthday.

I am not sure that I was a charter member, but most certainly, I joined as soon as the opportunity was afforded me and I have belonged consistently ever since. The organization has been a most reliable and helpful forum in which the best interests of the Armed Forces in general and the citizen soldiers in particular could be coordinated to the ultimate benefit of the security of our country.

CLARK W. THOMPSON,  
House Ways and Means Committee.

#### ROA HAS SERVED AMERICAN TRADITION

The Reserve Officers' Association has served the American tradition of the citizen-soldier both zealously and effectively throughout the 40 years of its existence. As you know, the subcommittee of which I am chairman has insisted, as you have insisted

The organization has, in turn, been mindful of the responsibilities of the military to the civilian aspect of our life.

During this period of grave crisis for our Nation as in the past, the ROA stands out as a rock of freedom.

I congratulate the Reserve Officers Association on this anniversary, and certainly join in wishing them well and continued success throughout the coming years.

**MR. ROBERTSON.** Mr. President, the Reserve Officers Association of the United States is to be commended for the magnificent service it has rendered our Nation by fostering a policy to provide for a strong national defense. I salute them on their 40th anniversary and wish them continued success.

**Mr. ENGLE.** Mr. President, I have been a Reserve officer for a great many years. I desire to associate myself with the remarks made by my friends, the distinguished Senator from Nevada [Mr. CANNON] and the distinguished Senator from Minnesota [Mr. HUMPHREY] with respect to the anniversary of the Reserve Officers Association. I am aware of their activities. They have dealt constructively with the defense problems of the Nation throughout the years. They are a great organization, and I am pleased indeed to join in congratulating them on this anniversary.

**Mr. BUTLER.** Mr. President, I wish to associate myself with the remarks of my colleagues, in connection with the Reserve Officers Association. I have many friends in the association. They do a wonderful work, and I heartily commend them on their work.

**Mr. MOSS.** Mr. President, for 40 years the Reserve Officers Association of the United States has served as a professional organization for Americans who serve their country as Reserve officers in the military services. These civilians give that extra bit of their time and talent which keeps our country prepared to meet a military crisis. The ROA keeps its members informed and better prepared to perform their military duties.

My members in ROA predates World War II and continues to date. I am proud of this membership. I congratulate ROA on its 40th birthday.

**Mr. LAUSCHE.** Mr. President, I associate myself with the expressions of felicitations of a number of Senators on the 40th anniversary of the Reserve Officers Association.

When the Reserve units were established, I assume it was calculated that the security of the Nation would be served, and the cost of maintaining the military defense would be reduced. Word is current that with the Reserves we serve our national security at a cost one-sixth of what it would be in the event that we had to have fully implemented our national military defenses.

The members of the Reserves frequently are looked upon with indifference. However, the fact is that as members of the Reserve they obligate themselves to respond to the call if and when it comes. Many of these members are married. They have their responsibili-

ties in civilian life. Nevertheless, they continue as members of the Reserves. In my opinion they are entitled to far greater credit than they receive.

On this day, their 40th anniversary, I express my felicitations to them and my gratitude for the services they are rendering to their country in trying to preserve its security.

**MR. SMATHERS.** Mr. President, I am pleased to join in calling attention to the 40th birthday of the ROA.

The association maintains a national headquarters in Washington, as it has since 1922. This staff now is headed by my good friend, an officer who during most of my first term in the Senate served as my administrative assistant, Col. John T. Carlton, known to many of us as "Jake." As executive director of ROA, Colonel Carlton has on his staff several officers known for their outstanding service—Rear Adm. Alexander Jackson, Jr., director of naval affairs, whose fine Navy career included service as Chief of Reserves and author of our present Select Reserve system; Maj. Gen. George O. N. Lodoen, director of Army affairs, who as an honor ROTC graduate gave 35 years to the Army in many positions where he served with and commanded reservists; Col. Arthur A. Brackett, director of Air Force affairs, who in more than 20 years Active Air Force service became known as an expert in personnel legislation; Col. C. M. "Count" Boyer, legislative consultant, who is a real authority on military law; and Mr. Wilbur Jennings as editor of the ROA magazine, the Officer, who for many years was on the Associated Press staff covering Capitol Hill.

Under its Charter from the Congress, ROA has sought to serve the cause of national security. Many of them have relied upon the guidance of these officers in matters relating to the military, and particularly to the Reserves which are so important in the national defense picture.

In my own State, ROA is recognized as a fine, patriotic concern seeking to serve only the national interests. I am happy to join in saluting this fine association on its 40th anniversary.

I should like to include in my remarks a letter to ROA from the President of the United States, together with letters from several others of the Nation's leaders. I ask unanimous consent that these letters appear at this point of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,  
Washington, D.C., September 7, 1962.  
**Maj. Gen. JOHN H. FOSTER,**  
President, Reserve Officers Association of the  
United States, Washington, D.C.

DEAR GENERAL FOSTER: Your association, in the four decades of its activity, has established an enviable record of service, particularly in its emphasis on the importance of Reserve forces to national defense. Certainly this interest in a strong and active Reserve is close to our national tradition, and the attainment of a military posture, adequate to the security interests of the Nation, is worthy of every citizen's support.

As we move through these difficult times, it is a great source of strength to me, as

Commander in Chief, and I am sure to the members of the Government, both in the executive and the Congress, to know that we have the strong support of your members. I am confident that the Reserve Officers Association will, as it has in the past, continue to take the broad and objective view as a guideline in its activity.

On your 40th anniversary my congratulations to the Reserve Officers Association for its notable achievements. My best wishes for future years of successful activity.

Sincerely,

JOHN F. KENNEDY.

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source of military and national strength. This vital role was again demonstrated in the limited mobilization which was recently concluded. Here again, in the cold war, the Reserve forces provided the means of rapidly strengthening our military capability to demonstrate the determination of the United States to protect its interests and to provide for our national security.

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NORMAN S. PAUL,  
Assistant Secretary of Defense (Manpower).

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As you know, Reserve officers today comprise a large segment of our Active Army Officer Corps and those of our sister services. Their performance meets the highest standards of military service in every aspect. The same can be said for those officers who, although not now on active duty, stand ready to respond swiftly and surely in any emergency. The Reserve Officers Association, during its 40 years of existence, has provided invaluable assistance in building this truly professional force of Reserve and Regular officers.

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HERBERT B. POWELL,  
General, U.S. Army,  
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The past year has been a year of remarkable achievement for the Air Force and its Reserve forces. We have seen our efforts to attain the greatest possible total capability pay dividends in the effective performance of Reserve units ordered to active duty.

The progress which has been made in improving the stature of our Reserve forces is the result of the combined labors of active duty personnel, reservists, and groups such as the Reserve Officers Association which have enhanced our efforts by their interest and support.

I congratulate the Reserve Officers Association on its 40 years of patriotic service to our Nation. I look forward to the continuation of the fine relationship between your organization and the U.S. Air Force.

CURTIS E. LE MAY,  
General, U.S. Air Force,  
Chief of Staff.

#### LEGION COMMANDER PRAISES ROA Role

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It is a very great personal honor for me to extend congratulations to General Foster and to the dedicated members of your association on this noteworthy occasion, and to wish for them many more years of continued success.

CHARLES L. BACON,  
National Commander,  
The American Legion.

THE SPEAKER'S ROOMS,  
U.S. HOUSE OF REPRESENTATIVES,  
Washington, D.C., September 22, 1962.

Col. JOHN T. CARLTON,  
Executive Director, Reserve Officers Association, Washington, D.C.

DEAR COLONEL: Warmest congratulations to the Reserve Officers Association of the United States on 40 years of devoted patriotic endeavor.

By helping America build and maintain an impregnable military security, your loyal members have encouraged and stimulated the constructive forces of peace, progress and prosperity everywhere in the free world.

Your unceasing vigil against espionage, subversion and betrayal at home is applauded wherever freedom finds voice.

May your good works continue to flourish in a salubrious climate of popular appreciation and national gratitude.

With sincere personal regards, I am,  
Sincerely yours,  
JOHN W. McCORMACK,  
Speaker.

Mr. ALLOTT. Mr. President, I want to join all of my colleagues who today have paid tribute to the Reserve Officers Association. The continued dedication of all of these men to the protection of their country—continued as it has been over a period of many years—is one of the real inspirations to patriotic concepts. I know many who have pursued their studies and activities over a period of 30 years with a devotion that bespeaks the finest love of country. The work of the association in bringing all of these efforts into focus, and bringing with it the sense of comradeship that everyone who has served in the military forces possesses is a wonderful asset to this country. Without this constant, ready military preparedness, this country would find itself in a truly sad plight. I salute the association on its 40th birthday.

Mr. SYMINGTON. Mr. President, along with other Senators, it is a privilege to join with my distinguished colleague from South Carolina in saluting the Reserve Officers Association—of which he has been a national president—on the occasion of its 40th anniversary.

This group of dedicated Americans has been instrumental in shaping our national defense policies for many years.

At its formative convention, held in Washington on October 2-4, 1922, the ROA was characterized as "a great national insurance policy."

In their efforts to build up the strength of our Reserve Forces, these men have played an important role in assuring

that America be ready to meet great national emergencies.

It is gratifying to note the role which the State of Missouri has played in the history of the Reserve Officers Association. Former President Harry Truman formed and headed one of the original chapters in the years 1919 and 1920 in Kansas City, Mo. Under the leadership of men such as Mr. Truman, the Kansas City area had the best equipped training center for the local organized reserves following the First World War.

One of the greatest of all Missourians, General of the Armies John J. Pershing, was the principal speaker at the first convention of the Reserve Officers Association.

Mr. President, I salute this distinguished organization on this notable occasion in its history of service to our Nation.

Mr. KEATING. Mr. President, on October 2, 1922, a small group of patriotic Americans who held reserve commissions in the Armed Forces of the United States banded together to form the Reserve Officers Association. The charter, as approved by the Congress, instructs them to support a military policy which provides adequate national security.

Today we observe the 40th anniversary of the founding of the Reserve Officers Association. We congratulate this fine group of men on four decades of growth and splendid service.

I am proud that my State of New York in 1920 was one of the first departments in the group and a leader in forming the national association. Today ROA contains 60,000 officers representing six uniformed services—the Army, Navy, Air Force, Marine Corps, Coast Guard, and Public Health Service.

I am proud also of my membership in the association—membership which is voluntary, independent, and nonpartisan.

May I congratulate the Reserve Officers Association for a job well done—for 40 years of hard work, dedication and service to the men, women, and children of the United States of America.

Mr. COOPER. Mr. President, I commend the junior Senator from South Carolina [Mr. THURMOND] for his thoughtfulness in reminding the Senate of the 40th anniversary of the Reserve Officers Association.

Those who are members of this organization, having served our country in the Armed Forces—with many still serving—give their patriotic support, their knowledge and experience, to the defense, the security, and the freedom of our country.

Senator THURMOND, himself a member of the Reserve Officers Association, has served our country on the battlefield with bravery and distinction.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. MILLER. I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I believe in granting aid to countries in need and which show a friendly attitude to our country, or at least are willing to occupy positions of genuine neutrality.

I cannot support the pending bill, on which we will vote in a short time, because when it is passed it will authorize the making of gifts and loans:

First. To countries ruled either directly or indirectly by Communist governments;

Second. To professed neutral countries which consistently assail our integrity and throw in their lot with the Communist bloc;

Third. To countries which look with indifference upon our plea not to carry to Cuba in their national ships equipment of war.

Moreover, I cannot vote for the bill, because:

First. It would further aggravate our gold reserve problem about which the President has rightfully shown his grave concern;

Second. It would give encouragement to the other nations, now in positions of financial strength, not to carry their fair share of these international responsibilities.

Third. It would encourage irresponsibility because of its excessiveness in the amounts made available for gifts as distinguished from loans.

Fourth. It would weaken our fiscal position, which needs bolstering, instead of weakening.

Mr. MILLER. I yield 3 minutes to the Senator from North Carolina.

Mr. ERVIN. Mr. President, the United States could have an intelligent and effective foreign aid program at much less cost if it confined itself to giving away the patrimony of our people to allies who have manifested their willingness to stand up on the side of the free world in any possible Armageddon with those who would extinguish the light of liberty on this earth.

But the pending bill, like its predecessor bills, does not provide for a sensible and sound foreign aid program. On the contrary, it undertakes to continue the image of Uncle Sam as a deluded old gentleman who wanders about, to and fro on the face of the earth, scattering the patrimony of our people abroad among friends and neutralists and potential foes alike, under the delusion that somehow he can purchase peace and buy friends with dollars.

I cannot vote for the bill because I believe it thus presents the United States to the world as a nation suffering under the delusion that it can purchase peace and security by giving away the patrimony of our people, in this particular case by taking the unearned income of unborn generations of Americans for the purpose of making gifts to friends and neutralists and foes alike; and because the amount of our deficit during the coming fiscal year will virtually equal the amount of the appropriation carried by the bill.

Mr. MILLER. I yield 3 minutes to the Senator from Florida.

Mr. HOLLAND. I rise to speak briefly about one provision of the bill, that which provides an appropriation to the Department of Health, Education, and Welfare for assistance to refugees in the United States, meaning, in this instance, the Cuban refugees, a large number of whom are still in the State which I represent in part.

I wish to express my appreciation to the members of the committee who, I think, unanimously supported the view which I believe is sound, namely, that the Federal Government should carry more nearly all of the extra expenses incurred upon the host area than has been the case heretofore. The appropriation made by the House was some \$55 million. It was raised by committee recommendation to \$70,110,000, which is the full amount of the budget estimate.

Almost every Senator with whom I have spoken has asked me: "How is it that this item comes under the head of foreign aid?" The reason is that the authorization bill, which was passed a short while ago, had not been passed when the annual appropriation bill for the Department of Health, Education, and Welfare, which will handle this appropriation, was being considered and passed by Congress.

Without laboring the question at all, other than to express my very deep appreciation and gratitude, in which my distinguished colleague from Florida [Mr. SMATHERS] joins me, to the members of the committee and to every Member of the Senate who has expressed an interest in the subject, I wish to say that this amount is to be a partial reimbursement, for example, in reference to schools where the estimated number of Cuban children in the public schools of Dade County was 18,000. Already there are approximately 20,000 enrolled for this year, and the number is mounting with every passing week.

With reference to this part of the appropriation, it is only fair for the Federal Government to take care of 60 percent of the expenditures for the Cuban children, leaving the State of Florida and the local citizens with the cost of the expense which they have heretofore carried in greater amount, and which I am sure will continue to be carried in whatever amount may be necessary.

Mr. President, this is a national problem. It is fair and right that the National Government should care for the greater portion of the problem. We in Florida are trying to react as good Americans and as humanitarian citizens, and we believe we have done so.

It is only fair to say that the Cuban refugees have behaved themselves in an exemplary fashion. That is the verdict of all the law enforcement agencies, school authorities, and every one else.

I think this is the most practical way we have in which to show to the unfortunate people who are refugees from their own nation that we regard them as our friends and brethren, and that we are doing our best to help to take care of them.

I yield the floor.

Mr. HUMPHREY. Mr. President, I yield 4 minutes to the Senator from Wyoming.

Mr. McGEE. Mr. President, the story of foreign aid in the recent years of our great country has been one of total unselfishness on the part of the American people. I submit that when the full story of man is recorded, one of the elements which will loom large in that narrative will be the way in which the American people have risen to the opportunity to help others to help themselves, not only in the wake of war, but in the absence of war. This is the first time in human history that a victorious nation has ever so conducted itself.

Naturally, we understand best the difficulties and tortures of our own country in making these economic sacrifices and commitments. Nonetheless, our people have always risen to the occasion. It is not the easiest of questions for Members of this body, particularly in an election year; but I think it behooves Congress to do what the position of the country requires, and that it is right to lead the great people of this land toward that goal.

In the process of writing our foreign aid story, however, we have had to learn much, because we began from scratch. Everything was new. In the lending process, we have made mistakes. Obviously, there has been waste. There has been waste in most things which we have undertaken. However, I know of no single individual in this body, or anywhere else, who has done more to make this program work better than it started to work; has done more to make constructive suggestions for the improvement of the program, so that it might be in the total national interest than the distinguished Senator from Louisiana [Mr. ELLENDER]. He and I have not always agreed on the philosophy behind some of the programs; but I take my hat off to him for what he has succeeded in achieving in the interest of making foreign aid a better operating program.

We have not gone far enough. We have not made all the improvements the program demands. I only hope that the Senator from Louisiana will persevere in the kind of educating he has done for me and, I trust, all other Senators, in making us alert to what must be done to increase the efficiency of the foreign-aid program.

I should like to mention, in passing, three or four of the suggestions which stem specifically from recommendations which the senior Senator from Louisiana has made following his extensive travels and long study of some of these problems. For example, he was the first to insist that aid be put on a loan basis and that we reduce the previous grant-aid program. The Senator from Louisiana was among the first to insist—in fact, he was the first to demand—that loans be repaid in whatever currency the United States might specify, but favoring dollar repayment.

What has been done about that suggestion? Beginning last year, a major shift was made in moving away from so much of the grant assistance and into a development loan program. What is even more important, in a way, is that repayment has been demanded almost exclusively in American dollars.

The senior Senator from Louisiana early demanded that aid to advanced countries be terminated, or at least sharply reduced, and that an improvement be made in the assistance being provided.

The Senator from Louisiana demanded that a greater share of the burden be borne by our allies. They are not yet carrying enough, but they are carrying more than they were.

**THE PRESIDING OFFICER.** The time of the Senator from Wyoming has expired.

Mr. McGEE. Mr. President, I ask unanimous consent that a rather extended list of specific improvements initiated by the Senator from Louisiana be included in the text of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

**SENATOR ELLENDER'S CONTRIBUTION TO THE AID PROGRAM**

**GENERAL**

1. Recommendation: That aid be put on a loan basis and that grant aid be reduced; further that loans be repaid in whatever currency the United States might specify but that dollar-repayment was preferred.

Action: Beginning last year, a major shift was made from grant assistance to development loans, with repayment almost exclusively in dollars.

2. Recommendation: That aid to more advanced countries, especially grant assistance, be terminated.

Action: Aid to advanced countries has been reduced; there is now only a small amount of military assistance being given to our European allies. In the more advanced countries such as Greece, grant aid has been terminated in favor of a limited program of loans.

3. Recommendation: That more of the burden of aid be borne by our allies.

Action: There has been a steady increase in the amount of aid provided by our allies.

4. Recommendation: That wherever possible, aid be provided on a multilateral rather than bilateral basis.

Action: There is now much greater emphasis on multilateral aid programs. Several consortia have been established, such as the one for the Indus River Basin. Multilateral aid through the International Bank and its International Development Association has also increased substantially. In addition, there is now a new organization, consisting of the United States, Canada, Japan, and the nations of Western Europe—the OECD, Organization for Economic Cooperation and Development—one of the main purposes of which is multilateral aid.

5. Recommendation: That purchases under the aid program be made, as far as possible, in the United States.

Action: Steps have been taken to tie aid funds to purchases in the United States. About 80 percent of aid money is now spent directly in this country.

6. Recommendation: That the aid program be better adapted to local conditions and that there be greater flexibility in the field.

Action: Under the new aid program enacted last year, primary emphasis is placed on these points: long-term, country-by-country planning is now a basic feature of the aid program.

7. Recommendation: That the good-neighbor policy be revitalized by establishing a new and stronger aid program in Latin America, with emphasis on helping the masses, and that aid be made conditional on internal reforms.

Action: The Alliance for Progress and the Act of Bogotá were developed to serve this purpose.

8. Recommendation: Greater emphasis on treating the conditions and factors which limit development, and on providing only as much aid as a country can effectively absorb.

Action: One of the fundamental aspects of the new aid program is its emphasis on these very principles.

9. Recommendation: Emphasis on technical assistance, especially on education and agriculture.

Action: Continued emphasis on technical assistance, with increased emphasis on education and agricultural development.

**FAR EAST**

1. Recommendation: A realistic rate of exchange in sales of agricultural products under the Public Law 480 program.

Action: An amendment by Senator ELLENDER has helped to achieve this result.

2. Recommendation: That electric power and transportation utilities receiving United States aid raise their rates to assure a reasonable return on investment.

Action: Conditions have been negotiated in loan agreements requiring a sound public utility rate structure.

3. Recommendation: That our allies provide more aid in the Far East.

Action: Greater aid efforts by Europe and Japan in this region.

**NEAR EAST AND SOUTHEAST ASIA**

1. Recommendation: That future aid be placed on a loan basis rather than grants.

Action: Economic grant aid has been terminated in Greece, Pakistan, and Iran, where future aid will be on a dollar repayable basis.

2. Recommendation: That development grant aid is inappropriate for an advanced country such as Greece or Israel.

Action: Development grants have been terminated in Greece, Lebanon, and Israel.

3. Recommendation: That our European allies should assist in helping Turkey.

Action: An OECD (Organization for Economic Cooperation and Development) consortium, which includes France, Germany, Britain, Italy, and others, was recently formed for just this purpose.

4. Recommendation: That Turkey modernize its taxation system.

Action: Turkey has since increased its tax revenue substantially, and is now considering further tax increases to help finance its development plan.

**LATIN AMERICA**

1. Recommendation: That the good neighbor policy be reactivated through a more effective aid program for Latin America.

Action: The Alliance for Progress was established for this purpose.

2. Recommendation: That aid be provided in such a manner as to benefit all the people of Latin America, rather than just the wealthy. Specifically, that aid be conditioned upon internal reforms such as tax laws, which will benefit the masses.

Action: Under the Alliance for Progress and the Act of Bogotá, aid is conditioned upon internal reform, and primary emphasis is being placed on aid programs such as housing, which will benefit the masses.

3. Recommendation: That a cooperative loan program exclusively for Latin America be inaugurated, emphasizing loans to smaller businesses, for the purpose of stimulating domestic investment. Also recommended establishing a central control bank for lending in all of Latin America.

Action: A cooperative loan program for Latin America has been inaugurated, and the development of cooperatives is being stressed under the Alliance for Progress. In addition, the Inter-American Development Bank has been established under which credit is made available to all Latin American countries.

**AFRICA**

1. Recommendation: That aid programs be better tailored to meet local needs and be kept on a level which can be effectively absorbed and used.

Action: A better application of these principles to the African aid program under the new foreign assistance program.

2. Recommendation: That emphasis be placed on agricultural development, primary education and a credit program for helping small business.

Action: These programs are being stressed under the new approach.

3. Recommendation: Greater multilateral cooperation in Africa development, particularly through the U.N. in such places as the Congo.

Action: Efforts to promote greater multilateral effort in Africa, especially through the U.N. A U.N. aid program for the Congo is now in effect.

**MR. MILLER.** Mr. President, I yield 2 minutes to the Senator from Oregon.

**MR. MORSE.** Mr. President, regrettably I shall vote against the bill. In my judgment, the bill will weaken our greatest defense weapon, our economy.

The bill contains hundreds of millions of dollars of waste of the taxpayers' money.

For 4 years I have waged a fight in committee to change grants to loans. Four years ago we were giving about 90 cents of every aid dollar. Today we are giving 65 cents out of every foreign aid dollar. We cannot justify that to the taxpayers.

Furthermore, we cannot continue this program while our allies in the cause of freedom are not fulfilling their share of the burden of paying a part of the cost of protecting freedom.

Consider our NATO allies, and their failure to carry their share of the burden of NATO. Consider our allies in southeast Asia and their failure to carry anywhere near their share of the burden in southeast Asia. Consider the failure of our allies to come to our assistance in carrying some of the burden of the Alliance for Progress program.

The United States has a total national debt of more than \$300 billion. The combined national debt of all our allies is only \$209 billion, \$90 billion less than the total national debt of the United States. Yet in this bill it is proposed that we give away hundreds of millions of dollars more to countries which ought to be paying their share of the burden.

Regretfully, I shall vote against this unfortunate giveaway bill.

**THE PRESIDING OFFICER.** All time has expired.

The hour of 3 o'clock having arrived, the question is, Shall the bill pass?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

**MR. ALLOTT** (when his name was called). On this vote, I have a pair with the senior Senator from Indiana [Mr. CAPEHART]. If the Senator from Indiana [Mr. CAPEHART] were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

**MR. MILLER** (when his name was called). On this vote, I have a live pair

with the junior Senator from South Dakota [Mr. BOTTUM]. If the Senator from South Dakota [Mr. BOTTUM] were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote, I have a pair with the senior Senator from Arkansas [Mr. McCLELLAN]. If the Senator from Arkansas [Mr. McCLELLAN] were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Washington [Mr. MAGNUSON], and the Senator from Arkansas [Mr. McCLELLAN], are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Alaska would vote "nay."

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "yea."

On this vote, the Senator from Vermont [Mr. PROUTY] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Texas would vote "nay."

The respective pairs of the Senator from South Dakota [Mr. BOTTUM] and that of the Senator from Indiana [Mr. CAPEHART] have been previously announced.

The result was announced—yeas 57, nays 24, as follows:

[No. 302 Leg.]

YEAS—57

Bartlett	Cooper	Hickenlooper
Beall	Cotton	Hill
Boggs	Dirksen	Holland
Burdick	Dodd	Humphrey
Bush	Douglas	Jackson
Byrd, W. Va.	Engle	Javits
Cannon	Fong	Kearns
Carlson	Gore	Kefauver
Carroll	Hart	Kerr
Case	Hartke	Kuchel
Church	Hayden	Long, Mo.

Long, Hawaii	Neuberger	Smith, Mass.
McCarthy	Pastore	Smith, Maine
McGee	Pearson	Sparkman
McNamara	Pell	Symington
Metcalf	Proxmire	Wiley
Monroney	Randolph	Williams, N.J.
Moss	Saltonstall	Yarborough
Muskie	Scott	Young, Ohio

#### NAYS—24

Bible	Johnston	Robertson
Butler	Jordan, N.C.	Russell
Byrd, Va.	Jordan, Idaho	Smathers
Curtis	Lausche	Stennis
Ellender	Long, La.	Talmadge
Ervin	Morse	Thurmond
Goldwater	Mundt	Williams, Del.
Hruska	Murphy	Young, N. Dak.

#### NOT VOTING—19

Aiken	Clark	McClellan
Allott	Eastland	Miller
Anderson	Fulbright	Morton
Bennett	Gruening	Prouty
Bottum	Hickey	Tower
Capehart	Magnuson	
Chavez	Mansfield	

So the bill (H.R. 13175) was passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HAYDEN. Mr. President, I move that the Senate insist on its amendments, and request a conference with the House on the disagreeing votes thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. ELLENDER, Mr. HOLLAND, Mr. PASTORE, Mr. McGEE, Mr. SALTONSTALL, Mr. MUNDT, and Mrs. SMITH of Maine conferees on the part of the Senate.

#### TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

#### APPOINTMENTS BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair announces the following appointment of Senators to attend several important conferences:

The Interparliamentary Union Conference in Brasilia, Brazil, beginning October 24: Senator Robertson, Chairman, Senator Long of Hawaii, Senator Smith of Massachusetts, Senator Thurmond, Senator Stennis, Senator Metcalf, Senator Talmadge, Senator Yarborough, Senator Murphy, and former Senator Homer Ferguson, ex officio.

The NATO Parliamentarian's Conference in Paris, France, beginning November 12: Senator FULBRIGHT, Senator SMATHERS, Senator CANNON, Senator McCLELLAN, Senator MCCARTHY, Senator BYRD of Virginia, Senator KEFAUVER, Senator JORDAN of North Carolina, Senator RANDOLPH, Senator KUCHEL, Senator MUNDT, Senator JAVITS, Senator COOPER, and Senator HICKENLOOPER.

The Peace Corps Conference in Puerto Rico: Senator HUMPHREY.

The International Atomic Energy Conference, in Geneva, Switzerland: Senator PASTORE.

The Commonwealth Parliamentary Conference to be held in Lagos, Nigeria, November 15: Senator BURDICK, Senator WILLIAMS of New Jersey, and Senator KEATING.

The GATT Conference, at Geneva Switzerland: Senator McCARTHY.

The UNESCO Conference, in Paris, France: Senator BYRD of West Virginia.

#### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated: PROPOSED SUPPLEMENTAL APPROPRIATION, FISCAL YEAR 1963, FOR GENERAL SERVICES ADMINISTRATION (S. Doc. No. 154)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1963, in the amount of \$3 million, for the General Services Administration (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

#### REPORT ON HYDROSTATIC TEST FACILITY AT MARSHALL SPACE FLIGHT CENTER

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the construction of the Hydrostatic Test Facility at the Marshall Space Flight Center; to the Committee on Aeronautical and Space Sciences.

#### REPORT ON FACILITIES FOR TESTING AND RELATED WORK ON THE ADVANCED SATURN LAUNCH VEHICLE

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the research and development to provide facilities for testing and related work on the Advanced Saturn launch vehicle; to the Committee on Aeronautical and Space Sciences.

#### REPORT ON DEPARTMENT OF THE ARMY CONTRACTS FOR MILITARY CONSTRUCTION AWARDED WITHOUT FORMAL ADVERTISEMENT

A letter from the Secretary of the Army, transmitting, pursuant to law, on Department of the Army contracts for military construction awarded without formal advertisement, covering the period January 1, through June 30, 1962 (with an accompanying report); to the Committee on Armed Services.

#### REPORT ON REVIEW OF POSTAL OPERATIONS RELATING TO EXPERIMENTAL MAIL-PROCESSING PLANT, PROVIDENCE, R.I.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of postal operations relating to experimental mail-processing plant, Providence, R.I., Post Office Department, dated September 1962 (with an accompanying report); to the Committee on Government Operations.

#### REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF COMMERCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on tort claims paid by that Department, during fiscal year 1962 (with an accompanying report); to the Committee on the Judiciary.

RONNIE E. HUNTER

A letter from the Comptroller General of the United States, transmitting a draft of proposed legislation for the relief of Ronnie E. Hunter (with accompanying papers); to the Committee on the Judiciary.

#### REPORT ON OPERATIONS IN CONNECTION WITH THE BONDING OF GOVERNMENT OFFICERS AND EMPLOYEES

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a re-

port on operations in connection with the bonding of Government officers and employees, for the fiscal year ended June 30, 1962 (with an accompanying report); to the Committee on Post Office and Civil Service.

#### DISPOSITION OF EXECUTIVE PAPERS

A letter from the Deputy Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

#### RESOLUTION OF BOARD OF SUPERVISORS, ONEIDA COUNTY, N.Y.

MR. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Board of Supervisors of Oneida County, N.Y., relating to the decision of the Supreme Court on prayer in public schools.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

#### BOARD OF SUPERVISORS, ONEIDA COUNTY RESOLUTION 267

Whereas the Supreme Court of the United States handed down a recent decision that it was not proper for public schools to open the school day with the following prayer: "Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers, and our country"; and

Whereas the said decision has caused much dissension and concern generally among various groups throughout the country and especially within the county of Oneida; and

Whereas the said prayer is nondenominational in nature and is not partisan to any religious group or any other group; and

Whereas it would be to the best moral interests of the community and our country to permit public schools to open the school day with the aforesaid prayer, and to display to the nations of the world that the United States still leads in human causes and principles: Now, therefore, be it

*Resolved*, That this board go on record requesting the President of the United States, the Honorable John F. Kennedy; Governor of the State of New York, the Honorable Nelson D. Rockefeller; the Honorable Jacob Javits and the Honorable Kenneth Keating, U.S. Senators, and Congressman Alexander Pirnie, to request the Congress of the United States to approve appropriate legislation and, if necessary, a constitutional amendment, permitting the public schools within the United States to open the school day with the prayer heretofore endorsed by the New York State Department of Education, and the clerk of this board is hereby authorized to forward certified copies of this resolution to the foregoing public officials.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Labor and Public Welfare, with amendments: S. 741. A bill to provide for the establishment of a Federal Advisory Council on the

arts to assist in the growth and development of the fine arts in the United States (Rept. No. 2260).

By Mr. HRUSKA, from the Committee on the Judiciary, with amendments:

S. 2900. A bill to provide for the representation of certain defendants in criminal cases in the U.S. district courts (Rept. No. 2261).

By Mr. DIRKSEN, from the Committee on the Judiciary, with an amendment:

S. 3124. A bill for the relief of Lt. Col. Gustave M. Minton, Jr., U.S. Air Force (Rept. No. 2264).

By Mr. FONG, from the Committee on the Judiciary, without amendment:

H.R. 3131. An act for the relief of Richard C. Collins (Rept. No. 2265).

By Mr. HUMPHREY (for Mr. McCLELLAN), from the Committee on Government Operations, without amendment:

H.R. 11899. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for a Federal telecommunications fund (Rept. No. 2262).

By Mr. SPARKMAN, from the Committee on Foreign Relations, with an amendment:

S. 3679. A bill authorizing an appropriation to enable the United States to extend an invitation to the Food and Agricultural Organization of the United Nations to hold a World Food Congress in the United States in 1963 (Rept. No. 2263).

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 10117. An act to amend section 401 of the Internal Revenue Code of 1954 to provide that plans which provide certain medical and other benefits for retired employees and their families may be qualified pension plans (Rept. No. 2266).

By Mr. BEALL, from the Committee on the District of Columbia, without amendment:

H.R. 8563. An act to amend the Life Insurance Act of the District of Columbia to permit certain policies to be issued to members of duly organized national veterans' organizations (Rept. No. 2267).

By Mr. BEALL, from the Committee on the District of Columbia, with amendments:

H.R. 12546. An act to amend the Life Insurance Company Act of the District of Columbia (48 Stat. 1145), approved June 19, 1934, as amended (Rept. No. 2268).

By Mr. MORSE, from the Committee on the District of Columbia, with an amendment:

S. 3259. A bill to regulate private employment agencies in the District of Columbia (Rept. No. 2269).

#### REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States, dated September 21, 1962, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JAVITS:

S. 3775. A bill relating to college academic facilities and student assistance; to the Committee on Labor and Public Welfare.

(See the reference to the above bill by Mr. JAVITS, which appears under a separate heading.)

By Mr. SPARKMAN (for himself and Mr. BUSH):

S. 3776. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

#### AMENDMENT OF FEDERAL HOME LOAN BANK AND HOME OWNERS LOAN ACTS—AMENDMENT

Mr. SMATHERS (for himself and Mr. SPARKMAN) submitted an amendment, in the nature of a substitute, intended to be proposed by them, jointly, to the bill (S. 582) to amend section 17 of the Federal Home Loan Bank Act and to amend section 5 of the Home Owners Loan Act of 1933, which was referred to the Committee on Banking and Currency, and ordered to be printed.

#### RIVERS AND HARBORS AND FLOOD CONTROL ACT OF 1962—AMENDMENTS

Mr. BOGGS submitted amendments, intended to be proposed by him, to the bill (S. 3773) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; which were ordered to lie on the table and to be printed.

#### TO PROVIDE MORE DEFINITIVE TARIFF CLASSIFICATION DESCRIPTION FOR LIGHTWEIGHT BICYCLES—AMENDMENT

Mr. JAVITS submitted an amendment, intended to be proposed by him, to the bill (H.R. 8938) to provide a more definitive tariff classification description for lightweight bicycles, which was ordered to lie on the table and to be printed.

#### DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963—AMENDMENTS

Mr. PROXMIRE (for himself, Mr. DOUGLAS, and Mr. LAUSCHE) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. JAVITS submitted amendments, intended to be proposed by him, to House bill 12580, supra, which were ordered to lie on the table and to be printed.

#### NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. MORSE submitted the following notice in writing:

In accordance with rule XL of the standing rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the pur-

87<sup>TH</sup> CONGRESS  
2D SESSION

H. R. 13175

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 2, 1962

Ordered to be printed with the amendments of the Senate numbered

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**AN ACT**

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the fiscal  
5       year ending June 30, 1963, namely:

6       **TITLE I—FOREIGN AID (MUTUAL SECURITY)**

7       **FUNDS APPROPRIATED TO THE PRESIDENT**

8       For expenses necessary to enable the President to carry  
9       out the provisions of the Foreign Assistance Act of 1961,

1 as amended, to remain available until June 30, 1963,  
2 unless otherwise specified herein, as follows:

3                   ECONOMIC ASSISTANCE

4         Development grants: For expenses authorized by section  
5 212, ~~(1)\$225,000,000~~ \$275,000,000.

6         American hospitals abroad (special foreign currency  
7 program): For assistance authorized by section 214(b)  
8 for hospital construction, \$2,800,000, to be used to pur-  
9 chase foreign currencies which the Treasury Department  
10 determines to be excess to the normal requirements of the  
11 United States.

12         Investment guaranties: For expenses authorized by  
13 section 222(f), ~~(2)\$30,000,000~~ \$100,000,000, to remain  
14 available until expended.

15         *(3) Surveys of investment opportunities: For expenses au-*  
16 *thorized by section 232, \$1,000,000.*

17         International organizations and programs: For expenses  
18 authorized by section 302, \$148,900,000 ~~(4): Provided, That~~  
19 no part of any other appropriation contained in this Act  
20 may be used to augment funds or programs contained in  
21 this paragraph: *Provided, That no part of any other ap-*  
22 *propriation contained in this Act, except funds appropriated*  
23 *under this Act for the contingency fund, may be used to*  
24 *augment funds or programs contained in this paragraph, and*

1    no funds shall be transferred from funds appropriated under  
2    any other paragraph of title I of this Act to the contingency  
3    fund for the purpose of augmenting funds or programs con-  
4    tained in this paragraph.

5       Supporting assistance: For expenses authorized by  
6    section 402, (5)\$350,000,000 \$400,000,000.

7       Contingency fund: For expenses authorized by section  
8    451 (a), (6)\$225,000,000 \$290,000,000.

9       (7)Alliance for Progress, development loans: For assistance  
10   authorized by section 252, \$425,000,000, to remain available  
11   until expended.

12   (8)Alliance for Progress, development grants: For expenses  
13   authorized by section 252, \$100,000,000.

14   (9)Alliance for Progress: For assistance authorized by  
15   section 252, including not to exceed \$100,000,000 for grants,  
16   \$575,000,000, all such funds to remain available for loans  
17   until expended.

18   Development loans: For expenses authorized by section  
19   202 (a), (10)\$775,000,000 \$1,125,000,000, to remain  
20   available until expended.

21   Administrative expenses: For expenses authorized by  
22   section 637 (a), (11)\$46,000,000 \$52,000,000.

23   Administrative and other expenses: For expenses  
24   authorized by section 637 (b) of the Foreign Assistance Act

1 of 1961 (12), as amended, and by section 305 of the Mutual  
2 Defense Assistance Control Act of 1951, as amended,  
3 (13) ~~\$2,700,000~~ \$3,100,000.

4 MILITARY ASSISTANCE

5        Military assistance: For expenses authorized by section  
6        504 (a) of the Foreign Assistance Act of 1961, ~~(14)~~<sup>as</sup>  
7        amended, including administrative expenses authorized by  
8        section 636 (g) (1) of such Act, which shall not exceed  
9        ~~(15)~~\$24,000,000 \$24,500,000 for the current fiscal year,  
10      and purchase of passenger motor vehicles for replacement  
11      only for use outside the United States, ~~(16)~~\$1,300,000,000  
12      \$1,450,000,000: *Provided*, That none of the funds contained  
13      in this paragraph shall be available for the purchase of new  
14      automotive vehicles outside of the United States.

15        Unobligated balances as of June 30, 1962, of funds here-  
16        tofore made available under the the authority of the Foreign  
17        Assistance Act of 1961, ~~(17)~~*as amended*, are, except as  
18        otherwise provided by law, hereby continued available for  
19        the fiscal year 1963 for the same general purposes for which  
20        appropriated~~(18)~~*and amounts certified pursuant to section*  
21        *1311 of the Supplemental Appropriation Act, 1955, as hav-*  
22        *ing been obligated against appropriations heretofore made*  
23        *under the authority of the Mutual Security Act of 1954, as*  
24        *amended, and the Foreign Assistance Act of 1961, as*  
25        *amended, for the same general purpose as any of the sub-*

*1 paragraphs under "Economic Assistance", are hereby con-  
2 tinued available for the same period as the respective appro-  
3 priations in such subparagraphs for the same general pur-  
4 pose: Provided, That such purpose relates to a project previ-  
5 ously justified to Congress.*

## **GENERAL PROVISIONS**

7 SEC. 101. None of the funds herein appropriated  
8 (other than funds appropriated under the authorization for  
9 "International organizations and programs") shall be used  
10 to finance the construction of any new flood control, reclama-  
11 tion, or other water or related land resource project or pro-  
12 gram which has not met the standards and criteria used in  
13 determining the feasibility of flood control, reclamation and  
14 other water and related land resource programs and projects  
15 proposed for construction within the United States of  
16 America as per ~~(19)Circular A-47~~ of the Bureau of the  
17 Budget, dated December 31, 1952 memorandum of the Presi-  
18 dent dated May 15, 1962.

19 SEC. 102. Obligations made from funds herein ap-  
20 propriated for engineering and architectural fees and services  
21 to any individual or group of engineering and architectural  
22 firms on any one project in excess of \$25,000 shall be re-  
23 ported to the Committees on Appropriations of the Senate  
24 and House of Representatives at least twice annually.

25 SEC. 103. Except for the appropriations entitled "Con-

1       tingency fund" and "Development loans", not more than  
2       20 per centum of any appropriation item made available by  
3       this title shall be obligated and/or reserved during the last  
4       month of availability.

5           SEC. 104. None of the funds herein appropriated nor  
6       any of the counterpart funds generated as a result of assist-  
7       ance hereunder or any prior Act shall be used to pay pen-  
8       sions, annuities, retirement pay or adjusted service compen-  
9       sation for any persons heretofore or hereafter serving in the  
10      armed forces of any recipient country.

11          SEC. 105. The Congress hereby reiterates its opposi-  
12       tion to the seating in the United Nations of the Communist  
13       China regime as the representative of China, and it is here-  
14       by declared to be the continuing sense of the Congress that  
15       the Communist regime in China has not demonstrated its  
16       willingness to fulfill the obligations contained in the Charter  
17       of the United Nations and should not be recognized to repre-  
18       sent China in the United Nations. In the event of the  
19       seating of representatives of the Chinese Communist regime  
20       in the Security Council or General Assembly of the United  
21       Nations, the President is requested to inform the Congress  
22       insofar as is compatible with the requirements of national  
23       security, of the implications of this action upon the foreign  
24       policy of the United States and our foreign relationships,  
25       including that created by membership in the United Nations,

1 together with any recommendations which he may have with  
2 respect to the matter.

3 SEC. 106. It is the sense of Congress that any attempt  
4 by foreign nations to create distinctions because of their race  
5 or religion among American citizens in the granting of per-  
6 sonal or commercial access or any other rights otherwise  
7 available to United States citizens generally is repugnant to  
8 our principles; and in all negotiations between the United  
9 States and any foreign state arising as a result of funds appro-  
10 priated under this title these principles shall be applied as  
11 the President may determine.

12 (20)SEC. 107. (a) None of the funds provided in this title  
13 shall be available for assistance to any country, the govern-  
14 ment of which sells arms, ammunition, or implements of  
15 war to the Castro regime, or permits ships under its registry  
16 to deliver arms, ammunition, implements of war, or other  
17 goods, wares and merchandise to that regime, or which  
18 furnishes, by grant or loan, any military or economic aid  
19 to that regime, or for any expenses of transportation, directly  
20 or indirectly, by merchant marine ships of any nation whose  
21 ships are used to transport any military or economic supplies  
22 to that regime.

23 (b) None of the funds appropriated in this title shall be  
24 available for assistance to any country which permits vessels  
25 registered, enrolled, licensed, or otherwise documented under

1 its laws to transport to Cuba, so long as it is governed by  
2 the Castro regime, any arms, ammunition, implements of  
3 war, atomic energy materials, or any articles, materials, or  
4 supplies contained on the list (known as the "positive list")  
5 maintained by the Secretary of Commerce of commodities  
6 with respect to which an export license is required under the  
7 Export Control Act of 1949.

8 SEC. 107. (a) None of the funds provided in this title  
9 shall be available for assistance to any country, the govern-  
10 ment of which sells arms, ammunition, or implements of war  
11 to the Castro regime, or which furnishes, by grant or loan,  
12 any military or economic aid to that regime, or for any ex-  
13 penses of transportation, directly or indirectly, by merchant  
14 marine ships of any nation whose ships are used to transport  
15 any military or economic supplies to that regime, unless the  
16 President determines that the withholding of such assistance  
17 to such country, or the nonpayment of such expenses of trans-  
18 portation, would be contrary to the national interest, and  
19 reports such determination to the Foreign Relations and  
20 Appropriations Committees of the Senate and the Foreign  
21 Affairs and Appropriations Committees of the House of  
22 Representatives.

23 (b) None of the funds appropriated in this title shall  
24 be available for assistance to any country which permits  
25 vessels registered, enrolled, licensed, or otherwise documented

1 under its laws to transport to Cuba, so long as it is governed  
2 by the Castro regime, any arms, ammunition, implements of  
3 war, atomic energy materials, or any articles, materials, or  
4 supplies, such as petroleum, transportation materials of stra-  
5 tegic value, and items of primary strategic significance used  
6 in the production of arms, ammunition, and implements of  
7 war, contained on the list maintained by the Administrator  
8 pursuant to title I of the Mutual Defense Assistance Control  
9 Act of 1951, as amended, unless the President determines  
10 that the withholding of such assistance to such country would  
11 be contrary to the national interest, and reports such deter-  
12 mination to the Foreign Relations and Appropriations Com-  
13 mittees of the Senate and the Foreign Affairs and Appropria-  
14 tions Committees of the House of Representatives.

15 (c) Reports made pursuant to this section shall be pub-  
16 lished in the Federal Register within seven days of submission  
17 to the committees and shall contain a statement by the Pres-  
18 ident of the reasons for such determination.

19 SEC. 108. Any obligation made from funds provided in  
20 this title for procurement outside the United States of any  
21 commodity in bulk and in excess of \$100,000 shall be  
22 reported to the Committees on Appropriations of the Senate  
23 and the House of Representatives at least twice annually:  
24 Provided, That each such report shall state the reasons for

1 which the President determined, pursuant to criteria set  
2 forth in section 604 (a) of the Foreign Assistance Act of  
3 1961, ~~(21)~~as amended, that foreign procurement will not ad-  
4 versely affect the economy of the United States.

5 ~~(22)~~SEC. 109. No funds appropriated by title I of this Act,  
6 except funds appropriated under that section entitled "Amer-  
7 iean hospitals abroad (special foreign currency program)"  
8 shall be expended in, or for the benefit of, any nation whose  
9 government is based upon that theory of government known  
10 as Communism.

11        *SEC. 109. No assistance shall be furnished under the*  
12 *Foreign Assistance Act of 1961, as amended (except sec-*  
13 *tion 214(b)) to any Communist country. This restriction*  
14 *may not be waived pursuant to any authority contained in*  
15 *this Act unless the President finds and promptly reports to*  
16 *the Foreign Relations and Appropriations Committees of the*  
17 *Senate and the Foreign Affairs and Appropriations Com-*  
18 *mittees of the House of Representatives that: (1) such assist-*  
19 *ance is vital to the security of the United States; (2) the*  
20 *recipient country is not controlled by the international Com-*  
21 *munist conspiracy; and (3) such assistance will further*  
22 *promote the independence of the recipient country from inter-*  
23 *national communism. Reports made pursuant to this section*  
24 *shall be published in the Federal Register within seven days*

1   of submission to the committees and shall contain a statement  
2   by the President of the reasons in detail for such findings.  
3   For the purposes of this subsection, the phrase "Communist  
4   country" shall include specifically, but not be limited to, the  
5   following countries:

6       Peoples Republic of Albania,  
7       Peoples Republic of Bulgaria,  
8       Peoples Republic of China,  
9       Czechoslovak Socialist Republic,  
10      German Democratic Republic (East Germany),  
11      Estonia,  
12      Hungarian Peoples Republic,  
13      Latvia,  
14      Lithuania,  
15      North Korean Peoples Republic,  
16      North Vietnam,  
17      Outer Mongolia-Mongolian Peoples Republic,  
18      Polish Peoples Republic,  
19      Rumanian Peoples Republic,  
20      Tibet,  
21      Federal Peoples Republic of Yugoslavia,  
22      Cuba, and  
23      Union of Soviet Socialist Republics.

24     SEC. 110. None of the funds appropriated or made avail-

1 able pursuant to this Act for carrying out the Foreign  
2 Assistance Act of 1961, as amended, may be used for mak-  
3 ing payments on any contract entered into after the date of  
4 enactment of this Act which does not contain a provision  
5 authorizing the termination of such contract ~~(23)~~*for procure-*  
6 *ment to which the United States is a party* for the convenience  
7 of the United States.

8 SEC. 111. None of the funds appropriated or made  
9 available under this Act for carrying out the Foreign As-  
10 sistance Act of 1961, as amended, may be used to make pay-  
11 ments with respect to any contract for the performance of  
12 services outside the United States by United States citizens  
13 where such citizens have not been investigated for loyalty and  
14 security in the same manner and to the same extent as would  
15 apply if they were regularly employed by the United States.

16 SEC. 112. None of the funds appropriated or made  
17 available under this Act for carrying out the Foreign Assist-  
18 ance Act of 1961, as amended, may be used to make pay-  
19 ments with respect to any capital project financed by loans  
20 or grants from the United States where the United States  
21 has not directly ~~(24)~~*selected approved* the firms to provide  
22 engineering, procurement, and construction services on such  
23 project.

24 SEC. 113. Of the funds appropriated or made available

1 pursuant to this Act not more than ~~(25)~~\$4,000,000 \$12,-  
2 000,000 may be used during the fiscal year ending June 30,  
3 1963, in carrying out section 241 of the Foreign Assistance  
4 Act of 1961, as amended.

5 SEC. 114. None of the funds appropriated or made  
6 available pursuant to this Act for carrying out the Foreign  
7 Assistance Act of 1961, as amended, may be used to pay in  
8 whole or in part any assessments, arrearages or dues of any  
9 member of the United Nations.

10 ~~(26)~~SEC. 115. *Foreign currencies not to exceed \$200,000,*  
11 *made available for loans pursuant to section 104(e) of the*  
12 *Agricultural Trade Development and Assistance Act of 1954,*  
13 *as amended, shall be available during the current fiscal year*  
14 *for expenses incurred incident to such loans.*

15           TITLE II—FOREIGN AID (OTHER)

16           FUND APPROPRIATED TO THE PRESIDENT

17           PEACE CORPS

18       For expenses necessary to enable the President to carry  
19 out the provisions of the Peace Corps Act (75 Stat. 612),  
20 including purchase of not to exceed ten passenger motor  
21 vehicles for use outside the United States, ~~(27)~~\$52,000,000  
22 \$63,750,000~~(28)~~, of which not to exceed \$15,500,000 shall  
23 be available for administration and program support costs.

## 1 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

## 2 RYUKYU ISLANDS, ARMY

## 3 ADMINISTRATION

4 For expenses, not otherwise provided for, necessary to  
5 meet the responsibilities and obligations of the United States  
6 in connection with the government of the Ryukyu Islands,  
7 as authorized by the Act of July 12, 1960 (74 Stat. 461);  
8 services as authorized by section 15 of the Act of August 2,  
9 1946 (5 U.S.C. 55a), of individuals not to exceed ten in  
10 number; not to exceed \$3,500 for contingencies for the  
11 High Commissioner, to be expended in his discretion;  
12 hire of passenger motor vehicles and aircraft; purchase of  
13 four passenger motor vehicles for replacement only; and con-  
14 struction, repair, and maintenance of buildings, utilities, facili-  
15 ties, and appurtenances; ~~(29)~~\$7,900,000 \$12,000,000, of  
16 which not to exceed ~~(30)~~\$1,900,000 \$2,100,000 shall be  
17 available for administrative and information expenses: *Pro-*  
18 *vided*, That expenditures from this appropriation may be  
19 made outside continental United States when necessary to  
20 carry out its purposes, without regard to sections 355 and  
21 3648, Revised Statutes, as amended, section 4774 (d) of title  
22 10, United States Code, civil service or classification laws, or  
23 provisions of law prohibiting payment of any person not a  
24 citizen of the United States: *Provided further*, That funds ap-  
25 propriated hereunder may be used insofar as practicable, and

1 under such rules and regulations as may be prescribed by the  
2 Secretary of the Army to pay ocean transportation charges  
3 from United States ports, including territorial ports, to ports  
4 in the Ryukyus for the movement of supplies donated to,  
5 or purchased by, United States voluntary nonprofit relief  
6 agencies registered with and recommended by the Advisory  
7 Committee on Voluntary Foreign Aid or of relief packages  
8 consigned to individuals residing in such areas: *Provided*  
9 *further*, That the President may transfer to any other depart-  
10 ment or agency any function or functions provided for under  
11 this appropriation, and there shall be transferred to any such  
12 department or agency without reimbursement and without  
13 regard to the appropriation from which procured, such  
14 property as the Director of the Bureau of the Budget shall  
15 determine to relate primarily to any function or functions  
16 so transferred.

17 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

18 ASSISTANCE TO REFUGEES IN THE UNITED STATES

19 For expenses necessary to carry out the provisions of  
20 the Migration and Refugee Assistance Act of 1962 (Public  
21 Law 87-510), relating to aid to refugees within the United  
22 States, including hire of passenger motor vehicles, and serv-  
23 ices as authorized by section 15 of the Act of August 2, 1946  
24 (5 U.S.C. 55a), (31) \$55,000,000 \$70,110,000: *Provided*,  
25 That this appropriation shall reimburse other current applicable

1 appropriations for activities conducted after June 30, 1962,  
2 pursuant to section 7 of the Migration and Refugee Assistance  
3 Act of 1962.

4 DEPARTMENT OF STATE

5 MIGRATION AND REFUGEE ASSISTANCE

6 For expenses, not otherwise provided for, necessary to  
7 enable the Secretary of State to provide assistance to ref-  
8 ugees, as authorized by law, including contributions to the  
9 Intergovernmental Committee for European Migration and  
10 the United Nations High Commissioner for Refugees; sal-  
11 aries, expenses, and allowances of personnel and dependents as  
12 authorized by the Foreign Service Act of 1946, as amended  
13 (22 U.S.C. 801-1158); hire of passenger motor vehicles;  
14 and services as authorized by section 15 of the Act of  
15 August 2, 1946 (5 U.S.C. 55a); ~~(32)~~\$14,447,000 \$16,  
16 677,000: *Provided*, That this appropriation shall reimburse  
17 other applicable appropriations for activities conducted after  
18 June 30, 1962, pursuant to section 7 of the Migration and  
19 Refugee Assistance Act of 1962: *Provided further*, That no  
20 funds herein appropriated shall be used to assist directly in  
21 the migration to any nation in the Western Hemisphere of  
22 any person not having a security clearance based on reason-  
23 able standards to insure against Communist infiltration in the  
24 Western Hemisphere.

## 1           FUND APPROPRIATED TO THE PRESIDENT

## 2   INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

3       For payment of subscriptions to the Inter-American  
4   Development Bank, to remain available until expended,  
5   \$60,000,000 for the third installment on paid-in capital stock.

## 6   SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT

## 7           ASSOCIATION

8       For payment of the third installment of the subscription  
9   of the United States to the International Development As-  
10  sociation, \$61,656,000, to remain available until expended.

## 11  TITLE III—INTERNATIONAL MONETARY FUND

## 12          FUND APPROPRIATED TO THE PRESIDENT

## 13          LOANS TO THE INTERNATIONAL MONETARY FUND

14       For loans to the International Monetary Fund, as au-  
15  thorized by the Act of June 19, 1962 (Public Law 87-490),  
16   \$2,000,000,000, to remain available until (33)Deeember 31,  
17   1966 expended. The indefinite appropriation for the pay-  
18  ment of interest on the public debt (31 U.S.C. 711), shall  
19  be available for the payment of charges in connection with  
20  any purchases of currencies or gold by the United States  
21  from the International Monetary Fund.

1           TITLE IV—EXPORT-IMPORT BANK OF  
2           WASHINGTON

3        The Export-Import Bank of Washington is hereby  
4    authorized to make such expenditures within the limits of  
5    funds and borrowing authority available to such corporation,  
6    and in accord with law, and to make such contracts and  
7    commitments without regard to fiscal year limitations as  
8    provided by section 104 of the Government Corporation  
9    Control Act, as amended, as may be necessary in carrying  
10   out the programs set forth in the budget for the current fiscal  
11   year for such corporation, except as hereinafter provided:

## 12 LIMITATION ON OPERATING EXPENSES

13        Not to exceed \$1,295,000,000 (of which not to exceed  
14      \$750,000,000 shall be for development loans) shall be  
15      authorized during the current fiscal year for other than  
16      administrative expenses.

## 17 LIMITATION ON ADMINISTRATIVE EXPENSES

18        Not to exceed \$3,000,000 (to be computed on an  
19 accrual basis) shall be available during the current  
20 fiscal year for administrative expenses, including serv-  
21 ices as authorized by section 15 of the Act of August 2, 1946  
22 (5 U.S.C. 55a) at rates not to exceed \$75 per diem for  
23 individuals, and not to exceed \$9,000 for entertainment  
24 allowances for members of the Board of Directors:  
25 *Provided*, That (1) fees or dues to international organiza-

1 tions of credit institutions engaged in financing foreign trade,  
2 (2) necessary expenses (including special services per-  
3 formed on a contract or fee basis, but not including other per-  
4 sonal services) in connection with the acquisition, operation,  
5 maintenance, improvement, or disposition of any real or  
6 personal property belonging to the Bank or in which it has  
7 an interest, including expenses of collections of pledged col-  
8 lateral, or the investigation or appraisal of any property in  
9 respect to which an application for a loan has been made,  
10 and (3) expenses (other than internal expenses of the  
11 Bank) incurred in connection with the issuance and serv-  
12 icing of guarantees, insurance, and reinsurance shall be con-  
13 sidered as nonadministrative expenses for the purposes  
14 hereof.

15           TITLE V—MISCELLANEOUS AGENCIES

16           FOREIGN CLAIMS SETTLEMENT COMMISSION

17           PAYMENT OF PHILIPPINE WAR DAMAGE CLAIMS

18       For the payment of the unpaid balance of awards for  
19 war damage compensation heretofore made by the Philippine  
20 War Damage Commission, as authorized by law, (34)\$73,-  
21 000,000 \$73,560,000, to remain available until expended, of  
22 which (35)\$500,000 \$560,000 shall be available for "Sal-  
23 ries and expenses", including an additional amount of not to  
24 exceed \$25,000 for expenses of travel.

## 1       (36)UNITED STATES INFORMATION AGENCY

## 2       ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

3       For an additional amount for "Acquisition and construc-  
4       tion of radio facilities", \$1,600,000, to remain available until  
5       expended.

## 6                   DEPARTMENT OF STATE

## 7       INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## 8       International Conferences and Contingencies

9       For an additional amount for "International conferences  
10      and contingencies", \$849,000.

## 11       TITLE VI—GENERAL PROVISIONS

12       SEC. 601. No part of any appropriation contained in  
13      this Act shall be used for publicity or propaganda purposes  
14      within the United States not heretofore authorized by the  
15      Congress.

16       SEC. 602. None of the funds herein appropriated shall  
17      be used for expenses of the Inspector General, Foreign As-  
18      sistance, after the expiration of the thirty-five day period  
19      which begins on the date the General Accounting Office or  
20      any committee of the Congress, or any duly authorized  
21      subcommittee thereof, charged with considering foreign as-  
22      sistance legislation, appropriations, or expenditures, has de-  
23      livered to the office of the Inspector General, Foreign Assist-  
24      ance, a written request that it be furnished any document,  
25      paper, communication, audit, review, finding, recommenda-

1 tion, report, or other material in the custody or control of  
2 the Inspector General, Foreign Assistance, relating to any  
3 review, inspection, or audit arranged for, directed, or con-  
4 ducted by him, unless and until there has been furnished to  
5 the General Accounting Office or to such committee or sub-  
6 committee, as the case may be, (A) the document, paper,  
7 communication, audit, review, finding, recommendation, re-  
8 port, or other material so requested or (B) a certification  
9 by the President, personally, that he has forbidden the fur-  
10 nishing thereof pursuant to such request and his reason for  
11 so doing.

12 SEC. 603. This Act may be cited as the "Foreign  
13 Aid and Related Agencies Appropriation Act, 1963."

Passed the House of Representatives September 20,  
1962.

Attest: RALPH R. ROBERTS,  
*Clerk.*

Passed the Senate with amendments October 2 (legisla-  
tive day, October 1), 1962.

Attest: FELTON M. JOHNSTON,  
*Secretary.*

87<sup>TH</sup> CONGRESS  
2d SESSION

H. R. 13175

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## AN ACT

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 2, 1962

Ordered to be printed with the amendments of the Senate numbered





# Digest of CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued Oct. 4, 1962  
For actions of Oct. 3, 1962  
87th-2d, No. 180

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HIGHLIGHTS: Sen. Miller criticized farm program. Sen. Humphrey commended dairy donation program. Sen. Morse inserted article on dangers in use of pesticides. Senate passed bill for holding World Food Congress. Sen. Burdick commended transportation industry in moving grain crop. Sen. Humphrey expressed regret over failure to pass Youth Conservation Corps bill. Sen. Morse defended location of forest fire research laboratories. Senate passed State-Justice-Commerce appropriation bill. House committee reported wilderness bill. House passed supplemental appropriation bill. House committee reported bill for holding World Food Congress. Both Houses received and Senate agreed to conference report on pay bill.

## HOUSE

1. WILDERNESS. The Interior and Insular Affairs Committee reported with amendment H. R. 776, to establish a national wilderness preservation system for the permanent good of the whole people (H. Rept. 2521). p. 20787
2. FOOD CONGRESS. The Foreign Affairs Committee reported without amendment H. R. 13307, authorizing an appropriation to enable the U. S. to extend an invitation to the Food and Agriculture Organization of the U. N. to hold a World Food Congress in the U. S. in 1963 (H. Rept. 2524). p. 20787
3. MONOPOLIES. The Rules Committee reported a resolution for the consideration of H. J. Res. 636, the proposed Quality Stabilization Act. pp. 20655, 20787
4. ELECTRIFICATION. Began debate on the Senate amendment to H. R. 10708, to amend the Rural Electrification Act of 1936 so as to authorize REA to finance communication facilities for the transmission of sounds, signals, pictures,

writing, or signs as well as voice. p. 20728

Received from the Federal Power Commission a copy of a publication, "Typical Electric Bills, 1962." p. 20787

5. FOREIGN AID APPROPRIATION BILL, 1963. Conferees were appointed on this bill, H. R. 13175. Senate conferees have already been appointed. pp. 20654-5
6. SUPPLEMENTAL APPROPRIATION BILL, 1963. Passed with amendment this bill, H. R. 13290 (pp. 20656-81). Agreed to an amendment appropriating \$250,000 for ARS for plant and animal disease and pest control (pp. 20667-70). As reported this bill includes \$500,000 for the Bureau of Outdoor Recreation, and \$3,850,000 for the revolving fund for the Virgin Islands Corporation.
7. MINERALS. Both Houses received from the President the semiannual report of the Office of Minerals Exploration. pp. 20681, 20789
8. PUBLIC WORKS. Passed with amendment H. R. 13273, the public works authorization bill. pp. 20681-719
9. TRADE FAIRS. Conferees were appointed on S. 3389, to promote the foreign commerce of the U. S. through the use of mobile trade fairs. Senate conferees have already been appointed. p. 20686
10. ROADS. Received from GAO a report on a review of selected activities of the Federal-aid highway program in Idaho. p. 20787
11. LEGISLATIVE ORGANIZATION. Rep. Halpern urged agreement to a resolution creating a Joint Committee on the Organization of the Congress. p. 20786
12. LEGISLATIVE RECORD. Several Representatives inserted statements on the legislative accomplishments of the 2nd session of the 87th Congress. pp. 20774-81, 20781-3.
13. LEGISLATIVE PROGRAM. Rep. Albert announced the following legislative program for Thurs.: H. R. 3985, import duty on certain bread; H. R. 12109, duty-free entry of certain grasses; H. R. 5260, processing tax on coconut oil; H. R. 5700, contract carriers; conference report on H. R. 11970, proposed Trade Expansion Act of 1962; conference report on H. R. 12648, the agricultural appropriation bill; conference report on H. R. 7927, the pay bill; conference report on S. 1552, the drug bill; S. 1123, to extend certain child labor provisions of the Fair Labor Standards Act to children employed in agriculture; and the conference report on H. R. 11665, the school lunch fund apportionment bill. p. 20755

SENATE

14. PERSONNEL. Both Houses received and the Senate agreed to the conference report on H. R. 7927, the Federal pay and postal rate increase bill (H. Rept. 2525) (pp. 20732-55, 20787, 20855-7). See Digest 174 for items of interest  
The Foreign Relations Committee reported without amendment S. 3459, to authorize the appointment of one additional Assistant Secretary of State (S. Rept. 2272). p. 20790  
Received from the Joint Committee on Reduction of Nonessential Federal Expenditures the report on Federal employment and pay for August 1962. pp. 20790-3
15. FARM PROGRAM. Sen. Miller referred to Sen. Humphrey's recent criticism of



United States  
of America

# Congressional Record

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No. 180

## House of Representatives

The House met at 11 o'clock a.m.  
The Chaplain, Rev. Bernard Braskamp,  
D.D., offered the following prayer:

*Joshua 23: 11: Take good heed therefore unto yourselves, that ye love the Lord your God.*

Almighty God, in these perilous times, when there are fears and fighting within and without our beloved country, may we cleave unto Thee with increasing tenacity of faith and courage.

Show us how we may stem the blatant and boisterous tides of communism and paganism which are seeking to engulf and enslave the whole world.

Grant that we may have within our hearts the abiding assurance that nothing can ever impede the progress and triumph of Thy kingdom of reason and righteousness.

Help us to understand that if our Republic is to remain invulnerable and invincible then we must continue to give ourselves with undivided and whole-hearted devotion to those ideals and principles which are the secret of our Nation's greatness and glory.

Hear us in the name of the Captain of our Salvation. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On September 27, 1962:

H.R. 575. An act to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes;

H.R. 2282. An act to authorize the Secretary of the Treasury to issue certificates of honorable service in lieu of certificates of disenrollment to certain persons who served as temporary members of the United States Coast Guard Reserve during World War II;

H.R. 12391. An act to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes;

H.R. 12526. An act to amend section 172 of the Internal Revenue Code of 1954 to provide a 7-year net operating loss carryover for certain regulated transportation corporations;

H.R. 12675. An act to provide for the formation of partnerships in the District of Columbia and to make uniform the law with respect thereto;

H.R. 12727. An act to amend the act of February 28, 1901, to insure that policemen and firemen in the District of Columbia will receive medical care for all injuries and diseases; and

H.R. 12762. An act to amend the District of Columbia Unemployment Compensation Act, as amended.

On September 28, 1962:

H.R. 1171. An act to assure continued fish and wildlife benefits from the national fish and wildlife conservation areas by authorizing their appropriate incidental or secondary use for public recreation to the extent that such use is compatible with the primary purposes of such areas, and for other purposes;

H.R. 1304. An act for the relief of Jung Hae;

H.R. 2604. An act for the relief of Pietro Dattoli;

H.R. 6016. An act for the relief of William Thomas Dendy;

H.R. 7123. An act for the relief of Mrs. Takako Coughlin;

H.R. 7431. An act to provide for the free entry of certain stained glass for St. Joseph's Cathedral, Hartford, Conn., and for other purposes;

H.R. 7438. An act for the relief of Anna Caporossi Criscon;

H.R. 7796. An act to amend certain lending limitations on real estate and construction loans applicable to national banks;

H.R. 9593. An act to provide for the conveyance of certain phosphate rights to the Dr. P. Phillips Foundation of Orlando, Fla.;

H.R. 9893. An act for the relief of Tadeusz Sochacki;

H.R. 9995. An act for the relief of Dwight W. Claranhan;

H.R. 10540. An act to exclude deposits of petrified wood from appropriation under the U.S. mining laws;

H.R. 11019. An act to provide that the Uniform Limited Partnership Act shall apply in the District of Columbia;

H.R. 12416. An act to authorize the sale, without regard to the 6-month waiting period prescribed, of chestnut extract proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act;

H.R. 12577. An act to place authority over the trust powers of national banks in the Comptroller of the Currency;

H.R. 12628. An act to provide additional funds under section 202(a)(4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly; and

H.R. 12899. An act to amend section 5155 of the Revised Statutes relating to bank branches which may be retained upon conversion or consolidation or merger.

On September 29, 1962:

H.J. Res. 897. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

On October 1, 1962:

H.R. 9587. An act for relief of Anthony E. O'Sorio;

H.R. 11164. An act to approve an amendatory repayment contract negotiated with the Quincy Columbia Basin Irrigation District, authorize similar contracts with any of the Columbia Basin Irrigation districts, and to amend the Columbia Basin Project Act of 1943 (57 Stat. 14), as amended, and for other purposes; and

H.J. Res. 730. Joint resolution to authorize the President to proclaim May 15 of each year as Peace Officers Memorial Day and the calendar week of each year during which such May 15 occurs as Police Week.

On October 2, 1962:

H.R. 8520. An act to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new section 16A to limit financial and technical assistance for drainage of certain wet lands; and

H.R. 11151. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1963, and for other purposes.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGowen, one of its clerks, announced that the Senate had passed without amendment bills and concurrent resolutions of the House of the following titles:

H.R. 946. An act to extend to oyster planters the benefits of the provisions of the present law which provide for produc-

tion disaster loans for farmers and stockmen.

H.R. 1362. An act for the relief of Calogera Virone Messina;

H.R. 1483. An act for the relief of Priscilla Jose Sisson and Evelyn Sisson;

H.R. 1598. An act for the relief of Michael Anthony Dedetsinas;

H.R. 1660. An act for the relief of Margaret MacPherson, Angus MacPherson, Ruth MacPherson, and Marilyn MacPherson;

H.R. 2836. An act for the relief of C. Edwin Alley;

H.R. 2978. An act for the relief of Rosa and Rita Quattrocchi;

H.R. 4483. An act for the relief of Simon Karasick;

H.R. 5695. An act for the relief of Forrest L. Gibson;

H.R. 6987. An act for the relief of Maj. William R. Cook;

H.R. 7099. An act to validate payments of certain per diem allowances made to members and former members of the U.S. Coast Guard while serving in special programs overseas;

H.R. 7617. An act for the relief of John W. Schleiger;

H.R. 7876. An act relating to the effective date of the qualification of the joint pension plan for employees of Local Unions 645, 1507, and 1511, Brotherhood of Painters, Decorators, and Paperhangers of America as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 8855. An act for the relief of Marie Silva Arruda;

H.R. 9469. An act for the relief of Charles L. Kays;

H.R. 9590. An act for the relief of Lt. Col. Edward Hirsch;

H.R. 10316. An act for the relief of Leopoldo Rocha Canas and Teofilo Caoile Servito;

H.R. 16017. An act providing that the U.S. district courts shall have jurisdiction of certain cases involving pollution of interstate river systems, and providing for the venue thereof;

H.R. 10881. An act for the relief of Maj. Singh Sunga;

H.R. 10897. An act for the relief of Joseph Hammond;

H.R. 11522. An act for the relief of Henry E. Keiser;

H.R. 11594. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments;

H.R. 11678. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Northern District of Ohio, Eastern Division, holding court at Akron, Ohio;

H.R. 11732. An act to amend section 305 of the Communications Act of 1934, as amended;

H.R. 12092. An act for the relief of Arthur H. Brackbill;

H.R. 12093. An act for the relief of Joseph Wolf, Jr.;

H.R. 12451. An act to authorize the reimbursement to appropriations of the U.S. Secret Service of moneys expended for the purchase of counterfeits;

H.R. 12653. An act to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such act;

H.R. 12855. An act to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments;

H.R. 12887. An act for the relief of Benjamin Leach, Diogracias Leach, Rogelio Leach, and Maximo Leach;

H.R. 13241. An act to amend section 309 of the Food and Agriculture Act of 1962;

H. Con. Res. 513. Concurrent resolution for printing additional copies of hearings;

H. Con. Res. 574. Concurrent resolution authorizing the printing of a wall map of the United States, and for other purposes; and

H. Con. Res. 581. Concurrent resolution authorizing the Clerk of the House to make a correction in the enrollment of H.R. 8567.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1691. An act for the relief of Elaine Veronica Brathwaite;

H.R. 8517. An act to grant emergency officer's retirement benefits to certain persons who did not qualify therefor because their applications were not submitted before May 25, 1929;

H.R. 10605. An act for the relief of Joan Rosa Orr;

H.R. 10708. An act to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity;

H.R. 12402. An act for the relief of Concetta Maria, Rosetta, and Tomasino Manganacina; and

H.R. 12513. An act to provide for public notice of settlements in patent interferences, and for other purposes.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 13175. An act making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. ELLENDER, Mr. HOLLAND, Mr. PASTORE, Mr. McGEE, Mr. SALTONSTALL, Mr. MUNDT, and Mrs. SMITH of Maine to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1696. An act to authorize the Secretary of the Interior to conduct a survey of federally owned lands for the purpose of locating minerals and mineral fuels;

S. 2344. An act for the relief of Miloye M. Sokitch;

S. 2639. An act to amend title 35 of the United States Code to permit a written declaration to be accepted in lieu of an oath, and for other purposes;

S. 3041. An act to authorize the conveyance of certain lands in Harris County, Tex., to the State of Texas or the County of Harris;

S. 3370. An act to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District;

S. 3394. An act for the relief of Lt. Col. William A. Carter, U.S. Air Force;

S. 3477. An act to promote the security and welfare of the people of the United States by providing for a program to assist the several States in further developing their programs of general university extension education; and

S. 3760. An act to amend the National Defense Education Act of 1958 to raise the limit on Federal payments into student loan funds, to broaden the types of equipment which may be acquired with Federal grants and loans under title III thereof, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1651. An act to authorize the Commissioners of the District of Columbia to delegate the function of approving contracts not exceeding \$100,000;

S. 2568. An act to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, and for other purposes;

S. 2795. An act to prohibit the use by collecting agencies and private detective agencies of any name, emblem, or insignia which reasonably tends to convey the impression that any such agency is an agency of the government of the District of Columbia; and

S. 3504. An act to provide for alternate representation of secretarial officers on the Migratory Bird Conservation Commission, and for other purposes.

## APPROPRIATIONS FOR FOREIGN AID AND RELATED AGENCIES, 1963

**Mr. PASSMAN.** Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, with amendments of the Senate thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

**The SPEAKER.** Is there objection to the request of the gentleman from Louisiana?

**Mr. GROSS.** Mr. Speaker, reserving the right to object, it is my understanding that the foreign giveaway bill is now nearly \$800 million higher than the House figure. It is my hope that the conferees will go to conference and sit, if necessary, until the snow flies before they give away any substantial part of the figure as was passed by the House of Representatives.

**Mr. PASSMAN.** Mr. Speaker, will the gentleman yield?

**Mr. GROSS.** I yield.

**Mr. PASSMAN.** I, myself, would say not just until the snow flies but until it has flown and melted away.

**Mr. GROSS.** I would say to the gentleman that I wish I could live to see the day when a substantial reduction is made, rather than an increase in a conference on one of these multibillion-dollar foreign giveaway bills.

**Mr. PASSMAN.** I think the record of the House conferees on this bill through the years speaks for itself. I can assure the gentleman it is my intention that this record will be maintained.

**Mr. GROSS.** I would be happy to see just one reduction in the annual rush to pass this foreign handout.

**MR. PASSMAN.** I say to the distinguished gentleman from Iowa that overall the House conferees have upheld well the position of the House on this appropriation. I believe a similar situation will prevail in the conference committee this year; in fact, as far as I am concerned, I have no doubts about the results. We are well fortified by the facts.

**MR. GROSS.** I wish the gentleman, my friend from Louisiana, would impress upon the other body that the Federal Treasury is insolvent. I question, at times, whether some of them know it.

**MR. PASSMAN.** The gentleman and I are in complete accord on that matter.

**MR. GROSS.** Mr. Speaker, I withdraw my reservation of objection.

**THE SPEAKER.** Is there objection to the request of the gentleman from Louisiana?

The Chair hears none and appoints the following conferees: Messrs. PASSMAN, GARY, CANNON, TABER, and FORD.

#### TO INCREASE CERTAIN TRAINING OPPORTUNITIES

**MR. TRIMBLE,** from the Committee on Rules, reported the following privileged resolution (H. Res. 824 Rept. No. 2519) which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4999), to increase the opportunities for training of physicians, dentists, and professional public health personnel, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the substitute amendment recommended by the Committee on Interstate and Foreign Commerce now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

#### CORRECTION OF ROLLCALL

**MR. DAGUE.** Mr. Speaker, on rollcall No. 265 I am recorded as not answering to my name. I was present and so answered and I ask unanimous consent that the permanent RECORD be corrected accordingly.

**THE SPEAKER.** Without objection the permanent RECORD will be corrected accordingly.

There was no objection.

#### CALL OF THE HOUSE

**MR. GROSS.** Mr. Speaker, I make the point of order that a quorum is not present.

**THE SPEAKER.** Evidently a quorum is not present.

**MR. ALBERT.** Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 266]

Adair	Hall	Reifel
Alexander	Hansen	Rogers, Tex.
Andersen, Minn.	Harris	Roosevelt
Anderson, Ill.	Harrison, Va.	Rousselot
Anfuso	Harvey, Ind.	Ryan, Mich.
Aspinwall	Hays	St. Germain
Belcher	Hébert	Santangelo
Bennett, Mich.	Herlong	Saund
Berry	Hiestand	Saylor
Blatnik	Hoffman, Mich.	Scherer
Blitch	Hull	Scranton
Bolling	Johnson, Md.	Seelye-Brown
Boykin	Kearns	Shelley
Breeding	Kee	Sheppard
Bromwell	Kilburn	Shipley
Brown	Laird	Short
Burke, Ky.	McDonough	Siler
Carey	McDowell	Smith, Calif.
Celler	McIntire	Smith, Miss.
Chamberfield	McSween	Springer
Coak	McVey	Stafford
Cook	Macdonald	Taber
Davis, John W.	MacGregor	Tuck
Dawson	Magnuson	Ullman
Diggs	Martin, Nebr.	Ott
Dominick	Michel	Van Pelt
Dooley	Miller,	Vinson
Evans	George P.	Watts
Forrester	Moorehead,	Weaver
Frazier	Ohio	Weis
Garland	Moulder	Whalley
Glenn	Norrell	Williams
Goodell	O'Brien, Ill.	Willis
Gray	Osmers	Yates
Green, Oreg.	Powell	Zelenko
Griffiths	Quie	Rains

**THE SPEAKER.** On this rollcall, 327 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### AMENDING FEDERAL TRADE COMMISSION ACT TO PROMOTE QUALITY AND PRICE STABILIZATION AND FOR OTHER PURPOSES

**MR. MADDEN,** from the Committee on Rules, reported the following privileged resolution (H. Res. 825, Rept. No. 2520) which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 636) to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and sellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the joint resolution shall be read

for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

#### LAND FOR QUINAELT INDIANS OF WASHINGTON

**MR. HALEY.** Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 507) to set aside certain lands in Washington for Indians of the Quinaielt Tribe, with a Senate amendment to the House amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment, as follows:

On page 2, strike out all of section 2 and insert a new section 2 as follows:

"Sec. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission."

(Mrs. HANSEN (at the request of Mr. HALEY) was given permission to extend her remarks at this point in the RECORD.)

**MRS. HANSEN.** Mr. Speaker, S. 507, the bill currently before the House, is of great interest and personal concern to me, as it will restore to the Quinaielt Indian Tribe of my district, land at Cape Elizabeth, Wash., which was originally a part of the Quinaielt Reservation.

The land, consisting of approximately 85 acres, was set aside in 1914, to be used for the building of a lighthouse by the Department of Commerce. The lighthouse was never built, so in the first session of this Congress I introduced a bill, H.R. 4945, to set the land aside in trust for the Quinaielt Tribe, in the same manner as other real property is held in trust by the United States for the tribe. My bill and S. 507 are similar bills.

Differences exist between my bill and the Senate version on the question of what amount of money should be set off against a claim which the Quinaielt Tribe has pending before the Indian Claims Commission. However, the tribe has now agreed that the language insisted on by the Senate, which sets no limitation on the amount which may be offset against this claim, is acceptable to them. The tribe owns relatively little land at present, and is anxious to acquire the Cape Elizabeth lands, to aid it in its efforts to promote the welfare of the tribe and provide assistance to its members.

Inasmuch as the language of the Senate bill is acceptable to the Quinaielts, it is acceptable to me, and I urge the approval of S. 507, with amendment, at this time.

**SPEAKER.** Without objection, the Senate amendment to the House amendment is concurred in.

There was no objection.

A motion to reconsider was laid on the table.

#### ESTABLISHMENT OF INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

**MR. ROBERTS** of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11099) to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, and for other purposes, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 7, after line 4, insert:

"SEC. 4. (a) Section 704 of the Public Health Service Act is amended by striking out 'six' and inserting in lieu thereof 'nine'.

"(b) Section 705(a) of such Act is amended by striking out '1962' and inserting in lieu thereof '1965'."

Amend the title so as to read: "An Act to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, to extend for three additional years the authorization for grants for the construction of facilities for research in the sciences related to health, and for other purposes."

**MR. ROBERTS** of Alabama. Mr. Speaker, the creation of the Institute of Child Health and Human Development and of General Medical Sciences is a forward step in the field of public health. This has long been needed and will prove to be very beneficial in solving the problems in this field.

The Senate amendment is simply an extension of the program which has been in existence for health research for the past 6 years. This will assure the continuance of the program that has done much to help us find some answers in the field of the crippling and killing diseases such as cancer, heart disease, arthritis, mental illness and other diseases which plague mankind.

**SPEAKER.** Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### SUPPLEMENTAL APPROPRIATION BILL, 1963

**MR. THOMAS.** Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13290) making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes; and pending that, Mr. Speaker, I ask unanimous consent that general debate be limited to 1½ hours, the time to be equally divided and con-

trolled by the gentleman from Iowa [Mr. JENSEN] and myself.

**SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

**SPEAKER.** The question is on the motion.

The motion was agreed to; accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13290) with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Under the consent agreement the gentleman from Texas [Mr. THOMAS] will be recognized for 45 minutes, and the gentleman from Iowa [Mr. JENSEN] for 45 minutes.

The gentleman from Texas is recognized.

**MR. THOMAS.** Mr. Chairman, I yield myself such time as I may consume and hope not to take too much time.

**CHAIRMAN.** The gentleman from Texas is recognized.

**MR. THOMAS.** I tell my colleagues, Mr. Chairman, that this will surely be the last supplemental bill for the year.

This bill contains about 36 items. When it left the Bureau of the Budget, it came to your committee with about 58 items. The budget estimate for these items, in round figures, was about \$640 million. Your committee allowed about \$393 million, a cut of about \$244 million.

Those figures were slightly changed in the full committee yesterday. Our very able and genial chairman offered an amendment putting in some claims and judgments against the United States to the tune of about \$10 million, made up of some 25 items. It was a very good amendment, and the committee accepted it 100 percent because those judgments bear interest and the quicker we get rid of them and pay them off the better off the taxpayers will be.

Your Deficiency Subcommittee is present. All of the members of that committee on both sides of the aisle are here, and we will try to answer any questions, either together or singly, that any Members want to ask. We want to give you every bit of information that you want, and certainly we will gladly give you all we have and do the best we can to help you.

Mr. Chairman, pending any questions, may I say that about 80 percent of the whole bill is made up of two big items, one from the armed services dealing with increases for rental allowance for quarters, per diem travel increases, and lump-sum readjustment pay, to the extent of about \$157 million. We respectfully deferred that item for the reason those accounts under which this is paid have some \$23 billion in the regular bill. We did not know whether they needed the money or not. If they need it, it will have to be paid. But we suggested that they wait another 6 or 7 months, and then come back at that time.

**MR. GROSS.** Mr. Chairman, will the gentleman yield?

**MR. THOMAS.** I yield to the gentleman from Iowa.

**MR. GROSS.** Is the \$100 million for the United Nations bond issue or the \$500 million for the accelerated public works program in this bill?

**MR. THOMAS.** Neither of the two items are in this bill.

**MR. GROSS.** Where will those items be taken care of?

**MR. THOMAS.** It is my understanding those items have been sent to the other body for consideration. Unfortunately, we did not get them over here in time, according to my understanding, to be considered in this bill. Anyway, they are over on the other side.

**MR. GROSS.** In what bill or bills will we expect to find those items?

**MR. THOMAS.** It is my understanding, and this is hearsay with me, the public works item is in the Senate public works bill, and the \$100 million item will be in the State, Justice appropriation bill.

**MR. GROSS.** Is the gentleman saying to me, after all the fight that was carried on earlier in the session about originating appropriations in the Senate, that the other body is going to originate these two very substantial appropriations?

**MR. THOMAS.** I am afraid a very square answer to the gentleman's question is "Yes."

**MR. GROSS.** I am sorry to hear that, because I supported the fight that was made by the House, as best I could.

**MR. THOMAS.** We appreciate the gentleman's help.

**MR. GROSS.** I am sorry this battle apparently did not avail too much.

**MR. REUSS.** Mr. Chairman, will the gentleman yield?

**MR. THOMAS.** I yield to the gentleman from Wisconsin.

**MR. REUSS.** I notice that the committee struck out a request of the Public Health Service for \$2,761,000 to start site acquisition in the Washington area for a proposed environmental health center that would ultimately employ some 5,000 employees and cost around \$70 million.

I want to commend the distinguished subcommittee chairman and the other members of the committee on both sides of the aisle for the judgment involved in that denial of an appropriation. It seems to me the decision is one in the best interest of the future of the Nation's Capital.

In the committee report, on page 3, there is simply set forth this language:

While the House Committee on Appropriations is favorably inclined to the creation of a National Environmental Health Center, it is of the opinion that the Washington, D.C., site is an improper location.

Mr. Chairman, that leads me to the question which I desire to ask of the chairman of the subcommittee, the distinguished gentleman from Texas [Mr. THOMAS].

Just a week ago another committee of this body, the House Committee on Government Operations, in its report entitled "Criteria for Decentralizing Federal Activities From the Nation's Capital," suggested that a good rule of thumb would be that any Federal building or activity





# Digest of CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

~~Issued Oct. 8, 1962  
For actions of Oct. 4, 5, & 6, 1962  
87th-2d, Nos. 182 &  
183~~

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~~HIGHLIGHTS: (Oct. 5) Senate insisted on amendments in disagreement on agricultural appropriation bill. Sen. Russell objected to reporting of supplemental appropriation bill. Sen. Holland inserted Sen. Eastland's article urging that cotton be made more competitive. Sen. Morse commended Land and People Conference in Ore. Senate passed bill to facilitate work of Forest Service. Sen. Morse inserted Secretary Freeman's letter refuting charge of political influence in locating forest fire research laboratories. House agreed to conference report on pay bill. House received conference report on foreign aid appropriation bill. Rep. Pfost commended ASC county committeemen. (Oct. 6) House agreed to conference report on foreign aid appropriation bill.~~

HOUSE - October 4, 1962

1. RESEARCH. Rep. Reuss criticized geographic concentration of Federal research grants saying, "... it not only boosts the technological advance of some industries but distorts their natural geographic distribution across the country." pp. 21280-2

2. LEGISLATIVE ACCOMPLISHMENTS. Several Representatives inserted statements on the legislative accomplishments of the 2nd session of the 87th Congress. pp. 21265-7, 21279-80

HOUSE - October 5, 1962

3. PAY BILL. By a vote of 312 to 20, agreed to the conference report on H. R. 792 the postal increase and pay bill. This bill will now be sent to the President pp. 21403-15
4. LANDS. Concurred in the Senate amendments to H. R. 7781, to authorize GSA to convey by quitclaim deed a parcel of land in Prince Georges County, Md., to the Silver Hill Voluntary Fire Department and Rescue Squad. The Senate amendments inserted the language of H. R. 11111, to amend the act of October 4, 1966 authorizing the Secretary of Agriculture to sell and convey certain forest lands in Iowa so as to provide that such sale shall be subject to the condition that the property be used for public purposes, and inserted the language of S. 3589, to authorize the Secretary of Agriculture to acquire certain lands in Wright County, Minn. and exchange them with the State of Minnesota for State-owned lands in the Superior National Forest. This bill will now be sent to the President. p. 21422
5. ASC COMMITTEES. Rep. Pfost commended the ASC county committeemen saying, "It is these men I want to salute today and thank them for their efforts in the past which have resulted in the greatest agriculture in the world." p. 21464
6. TRADE FAIRS. Received and agreed to the conference report on S. 3389, to promote foreign commerce through the use of mobile trade fairs (H. Rept. 2538). pp. 21416-7, 21496
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7. FOREIGN AID APPROPRIATION BILL, 1963. Received the conference report on this bill, H. R. 13175 (H. Rept. 2540). pp. 21459-60, 21496
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8. PUBLIC WORKS. Rep. Saylor objected to a unanimous consent request to appoint conferees on H. R. 13273, the rivers, harbors, and flood control authorization bill. p. 21398
9. GOLDEN EAGLE. Rep. Fisher objected to a unanimous consent request to concur in the Senate amendments to H. J. Res. 489, to provide protection for the golden eagle. p. 21402
10. TRANSPORTATION. Received the conference report on H. R. 5700, to amend the Tariff Act of 1930 to permit contract carriers by motor vehicle to transport bonded merchandise (H. Rept. 2541). pp. 21458, 21496
11. ROADS. Rep. Fallon reviewed the highway legislation enacted in the 87th Congress and inserted a table on the status of improvement of the national system of interstate and defense highways as of June 30, 1962. pp. 21472-4
12. LEGISLATIVE ACCOMPLISHMENTS. Several Representatives discussed the legislative accomplishments of the 2nd session of the 87th Congress. pp. 21460-3, 21469-72
13. LEGISLATIVE PROGRAM. Rep. Albert announced that there will be no legislative business on Mon. and that various conference reports will be considered on Tues. pp. 21463-4

## FOREIGN AID APPROPRIATION BILL, 1963

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OCTOBER 5, 1962.—Ordered to be printed

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Mr. PASSMAN, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany H.R. 13175]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13175) making appropriations for the Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 7, 8, 9, 13, 28, 34, 35, and 36.

That the House recede from its disagreement to the amendments of the Senate numbered 12, 14, 15, 17, 21, 31, and 33, and agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$395,000,000; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$250,000,000; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$975,000,000; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$49,500,000; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,325,000,-000; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$6,000,000; and the Senate agree to the same.

Amendment numbered 27:

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$59,000,000; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$8,900,000; and the Senate agree to the same.

Amendment numbered 30:

That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,950,000; and the Senate agree to the same.

## Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$14,947,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 18, 19, 20, 22, 23, 24, and 26.

OTTO E. PASSMAN,  
J. VAUGHAN GARY,  
CLARENCE CANNON,  
JOHN TABER,  
GERALD R. FORD, Jr.,  
*Managers on the Part of the House.*

CARL HAYDEN,  
ALLEN J. ELLENDER,  
SPESSARD L. HOLLAND,  
JOHN O. PASTORE,  
GALE W. McGEE,  
LEVERETT SALTONSTALL,  
KARL E. MUNDT,  
MARGARET CHASE SMITH,  
*Managers on the Part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

### TITLE I—FOREIGN AID (MUTUAL SECURITY) ECONOMIC ASSISTANCE

Amendment No. 1—*Development grants*: Appropriates \$225,000,000 as proposed by the House instead of \$275,000,000 as proposed by the Senate.

Amendment No. 2—*Investment guaranties*: Appropriates \$30,000,000 as proposed by the House instead of \$100,000,000 as proposed by the Senate.

Amendment No. 3—*Surveys of investment opportunities*: Deletes appropriation of \$1,000,000 as proposed by the Senate.

Amendment No. 4—*International organizations and programs*: Reported in disagreement.

Amendment No. 5—*Supporting assistance*: Appropriates \$395,000,000 instead of \$350,000,000 as proposed by the House and \$400,000,000 as proposed by the Senate.

Amendment No. 6—*Contingency fund*: Appropriates \$250,000,000 instead of \$225,000,000 as proposed by the House and \$290,000,000 as proposed by the Senate.

Amendment No. 7—*Alliance for Progress, development loans*: Restores the appropriation of \$425,000,000 for development loans as proposed by the House.

Amendment No. 8—*Alliance for Progress, development grants*: Restores the appropriation of \$100,000,000 for development grants as proposed by the House.

Amendment No. 9—*Alliance for Progress*: Deletes Senate language appropriating \$575,000,000 of which not to exceed \$100,000,000 is for grants and making all such funds available for loans until expended.

Amendment No. 10—*Development loans*: Appropriates \$975,000,000 instead of \$775,000,000 as proposed by the House and \$1,125,000,000 as proposed by the Senate.

Amendment No. 11—*Administrative expenses*: Appropriates \$49,500,000 instead of \$46,000,000 as proposed by the House and \$52,000,000 as proposed by the Senate.

Amendments Nos. 12 and 13—*Administrative and other expenses*: Insert perfecting language; and appropriate \$2,700,000 as proposed by the House instead of \$3,100,000 as proposed by the Senate.

## MILITARY ASSISTANCE

Amendment No. 14—Inserts perfecting language as proposed by the Senate.

Amendment No. 15—Authorizes the use of not to exceed \$24,500,000 for administrative expenses as proposed by the Senate instead of \$24,000,000 as proposed by the House.

Amendment No. 16.—Appropriates \$1,325,000,000 instead of \$1,300,000,000 as proposed by the House and \$1,450,000,000 as proposed by the Senate.

Amendment No. 17—Inserts perfecting language as proposed by the Senate.

Amendment No. 18: Reported in disagreement.

## GENERAL PROVISIONS

Amendment No. 19: Reported in disagreement.

Amendment No. 20: Reported in disagreement.

Amendment No. 21: Inserts perfecting language as proposed by the Senate.

Amendment No. 22: Reported in disagreement.

Amendment No. 23: Reported in disagreement.

Amendment No. 24: Reported in disagreement.

Amendment No. 25: Makes available not to exceed \$6,000,000 to carry out the provisions of section 241 of the Foreign Assistance Act of 1961, as amended, instead of \$4,000,000 as proposed by the House and \$12,000,000 as proposed by the Senate.

Amendment No. 26: Reported in disagreement.

## TITLE II—FOREIGN AID (OTHER)

### PEACE CORPS

Amendments Nos. 27 and 28: Appropriate \$59,000,000 instead of \$52,000,000 as proposed by the House and \$63,750,000 as proposed by the Senate, and restore House limitation of \$15,500,000 for administration and program support costs which had been deleted by the Senate.

### DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

#### RYUKYU ISLANDS, ARMY

Amendments Nos. 29 and 30: Appropriate \$8,900,000 instead of \$7,900,000 as proposed by the House and \$12,000,000 as proposed by the Senate; and authorize \$1,950,000 for administrative and information expenses instead of \$1,900,000 as proposed by the House and \$2,100,000 as proposed by the Senate.

### DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

#### ASSISTANCE TO REFUGEES IN THE UNITED STATES

Amendment No. 31: Appropriates \$70,110,000 as proposed by the Senate instead of \$55,000,000 as proposed by the House.

## DEPARTMENT OF STATE

## MIGRATION AND REFUGEE ASSISTANCE

Amendment No. 32: Appropriates \$14,947,000 instead of \$14,447,000 as proposed by the House and \$16,677,000 as proposed by the Senate. The Committee of Conference agrees that not to exceed \$650,000 may be used for administrative purposes.

## TITLE III—INTERNATIONAL MONETARY FUND

## LOANS TO THE INTERNATIONAL MONETARY FUND

Amendment No. 33: Authorizes the appropriation of \$2,000,000,000 to remain available until expended as proposed by the Senate instead of a termination date of December 31, 1966, as proposed by the House.

## TITLE V—MISCELLANEOUS AGENCIES

## FOREIGN CLAIMS SETTLEMENT COMMISSION

Amendments Nos. 34 and 35: Appropriate \$73,000,000 for the payment of Philippine War Damage Claims of which \$500,000 is for salaries and expenses as proposed by the House instead of \$73,560,000 of which \$560,000 is for salaries and expenses as proposed by the Senate.

## U.S. INFORMATION AGENCY

Amendment No. 36: Restores the appropriation of \$1,600,000 for acquisition and construction of radio facilities as proposed by the House.

OTTO E. PASSMAN,  
J. VAUGHAN GARY,  
CLARENCE CANNON,  
JOHN TABER,  
GERALD R. FORD, Jr.,  
*Managers on the Part of the House.*







### INCOME TAX TREATMENT OF TERMINAL RAILROAD CORPORATIONS

Mr. MILLS submitted the following conference report and statement on the bill (H.R. 12599) relating to the income tax treatment of terminal railroad corporations and their shareholders:

#### CONFERENCE REPORT (H. REPT. NO. 2543)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12599) relating to the income tax treatment of terminal railroad corporations and their shareholders having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, and 7 and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

WILBUR D. MILLS,  
CECIL R. KING,  
HALE BOGGS,

NOAH M. MASON,  
JOHN W. BYRNES,

*Managers on the Part of the House.*

HARRY FLOOD BYRD,  
ROBERT S. KERR,  
RUSSELL B. LONG,  
JOHN J. WILLIAMS,  
CARL T. CURTIS,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12599) relating to the income tax treatment of terminal railroad corporations and their shareholders, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Sections 1 and 2. Terminal railroad corporations.

The bill as passed by the House provided rules for the computation of the taxable income of certain railroad terminal corporations and their shareholders. The new treatment under the bill was applicable to all years to which the Internal Revenue Code of 1954 or the Internal Revenue Code of 1939 applies.

Senate amendment No. 3, and the conference agreement, provide additional rules relating to the application of the bill in the case of taxable years ending before the date of the enactment of the bill. The House recedes.

Senate amendments Nos. 1 and 2, and the conference agreement, also make technical changes to permit the application of section 281 to certain corporations which are common parent corporations and to certain corporations having short taxable years. The House recedes.

#### Section 3. Statistical studies, etc.

Senate amendment No. 5, and the conference agreement, amend the Internal Revenue Code of 1954 to authorize the Secretary of the Treasury or his delegate to make special statistical studies and compilations involving data taken from tax returns, declarations, etc., to engage in special studies and compilations jointly with parties making such a request, and to furnish transcripts of these special studies and compilations to the parties making the request where they pay the cost of the work performed.

Amendment No. 5, and the conference agreement, also authorize the Secretary of the Treasury or his delegate to admit employees and officials of States, the Common-

wealth of Puerto Rico, possessions of the United States, local governments of any of the above, the District of Columbia, or of foreign governments to training courses conducted by the Internal Revenue Service and to supply them with texts and other training aids. In this case the Secretary of the Treasury may require the payment of a reasonable fee not to exceed the cost of the training and training aids.

Amendment No. 5, and the conference agreement, also provide that payments for work or services performed—

(1) pursuant to the new section 7515 (special statistical studies and compilations);

(2) pursuant to the new section 7516 (supplying of training and training aids); and

(3) for a State or a department or agency of the Federal Government in supplying certain copies and data,

are to be deposited in a separate account. This separate account may be used to reimburse appropriations which bore all or part of the costs of such work or services, or to refund excess sums when necessary.

The House recedes on Senate amendment No. 5.

#### Section 4. Allowance of certain refunds.

Senate amendment No. 6, and the conference agreement, make a technical amendment to section 6512(b)(2) of the Internal Revenue Code of 1954 (relating to limit on amount of credit or refund of overpayment determined by the Tax Court). The House recedes.

#### Section 5. Cooperative banks.

Senate amendment No. 7, and the conference agreement, in effect provide that for cooperative banks to qualify for the special bad debt reserve provisions of section 593 of the Code (as amended by section 6 of the Revenue Act of 1962) they must meet essentially the same requirements as to the character of their investments as are provided for domestic building and loan associations. The House recedes.

WILBUR D. MILLS,  
CECIL R. KING,  
HALE BOGGS,

NOAH M. MASON,  
JOHN W. BYRNES,

*Managers on the Part of the House.*

### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

Mr. PASSMAN submitted the following conference report and statement on the bill (H.R. 13175) making appropriations for the foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes:

#### CONFERENCE REPORT (H. REPT. NO. 2540)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13175) making appropriations for the Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 7, 8, 9, 13, 28, 34, 35, and 36.

That the House recede from its disagreement to the amendments of the Senate numbered 12, 14, 15, 17, 21, 31, and 33, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$395,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$250,000,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$975,000,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$49,500,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,325,000,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$6,000,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$59,000,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$8,900,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,950,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$14,947,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 18, 19, 20, 22, 23, 24, and 26.

OTTO E. PASSMAN,  
J. VAUGHAN GARY,  
CLARENCE CANNON,  
JOHN TABER,  
GERALD R. FORD, JR.,

*Managers on the Part of the House.*

CARL HAYDEN,  
ALLEN J. ELLENDER,  
SPESSARD L. HOLLAND,  
JOHN O. PASTORE,  
GALE W. McGEE,  
LEVERETT SALTONSTALL,  
KARL E. MUNDT,  
MARGARET CHASE SMITH,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13175) making appropriations for foreign aid and related

agencies for the fiscal year ending June 30, 1963, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

**TITLE I—FOREIGN AID (MUTUAL SECURITY)***Economic assistance*

Amendment No. 1—Development grants: Appropriates \$225,000,000 as proposed by the House instead of \$275,000,000 as proposed by the Senate.

Amendment No. 2—Investment guarantees: Appropriates \$30,000,000 as proposed by the House instead of \$100,000,000 as proposed by the Senate.

Amendment No. 3—Surveys of investment opportunities: Deletes appropriation of \$1,-000,000 as proposed by the Senate.

Amendment No. 4—International organizations and programs: Reported in disagreement.

Amendment No. 5—Supporting assistance: Appropriates \$395,000,000 instead of \$350,-000,000 as proposed by the House and \$400,-000,000 as proposed by the Senate.

Amendment No. 6—Contingency fund: Appropriates \$250,000,000 instead of \$225,000,000 as proposed by the House and \$290,000,000 as proposed by the Senate.

Amendment No. 7—Alliance for Progress, development loans: Restores the appropriation of \$425,000,000 for development loans as proposed by the House.

Amendment No. 8—Alliance for Progress, development grants: Restores the appropriation of \$100,000,000 for development grants as proposed by the House.

Amendment No. 9—Alliance for Progress: Deletes Senate language appropriating \$575,-000,000 of which not to exceed \$100,000,000 is for grants and making all such funds available for loans until expended.

Amendment No. 10—Development loans: Appropriates \$975,000,000 instead of \$775,-000,000 as proposed by the House and \$1,125,-000,000 as proposed by the Senate.

Amendment No. 11—Administrative expenses: Appropriates \$49,500,000 instead of \$46,000,000 as proposed by the House and \$52,000,000 as proposed by the Senate.

Amendments Nos. 12 and 13—Administrative and other expenses: Insert perfecting language; and appropriate \$2,700,000 as proposed by the House instead of \$3,100,000 as proposed by the Senate.

*Military assistance*

Amendment No. 14: Inserts perfecting language as proposed by the Senate.

Amendment No. 15: Authorizes the use of not to exceed \$24,500,000 for administrative expenses as proposed by the Senate instead of \$24,000,000 as proposed by the House.

Amendment No. 16: Appropriates \$1,325,-000,000 instead of \$1,300,000,000 as proposed by the House and \$1,450,000,000 as proposed by the Senate.

Amendment No. 17: Inserts perfecting language as proposed by the Senate.

Amendment No. 18: Reported in disagreement.

*General provisions*

Amendment No. 19: Reported in disagreement.

Amendment No. 20: Reported in disagreement.

Amendment No. 21: Inserts perfecting language as proposed by the Senate.

Amendment No. 22: Reported in disagreement.

Amendment No. 23: Reported in disagreement.

Amendment No. 24: Reported in disagreement.

Amendment No. 25: Makes available not to exceed \$6,000,000 to carry out the provisions of section 241 of the Foreign Assistance Act of 1961, as amended, instead of \$4,000,000

as proposed by the House and \$12,000,000 as proposed by the Senate.

Amendment No. 25: Reported in disagreement.

**TITLE II—FOREIGN AID (OTHER)***Peace Corps*

Amendments Nos. 27 and 28: Appropriate \$59,000,000 instead of \$52,000,000 as proposed by the House and \$12,000,000 as proposed by the Senate, and restore House limitation of \$15,500,000 for administration and program support costs which had been deleted by the Senate.

*Department of the Army—Civil functions**Ryukyu Islands, Army*

Amendments Nos. 29 and 30: Appropriate \$8,900,000 instead of \$7,900,000 as proposed by the House and \$12,000,000 as provided by the Senate; and authorize \$1,950,000 for administrative and information expenses instead of \$1,900,000 as proposed by the House and \$2,100,000 as proposed by the Senate.

*Department of Health, Education, and Welfare**Assistance to Refugees in the United States*

Amendment No. 31: Appropriates \$70,110,-000 as proposed by the Senate instead of \$55,-000,000 as proposed by the House.

*Department of State**Migration and Refugee Assistance*

Amendment No. 32: Appropriates \$14,947,-000 instead of \$14,447,000 as proposed by the House and \$16,677,000 as proposed by the Senate. The committee of conference agrees that not to exceed \$650,000 may be used for administrative purposes.

**TITLE III—INTERNATIONAL MONETARY FUND**  
*Loans to the International Monetary Fund*

Amendment No. 33: Authorizes the appropriation of \$2,000,000,000 to remain available until expended as proposed by the Senate instead of a termination date of December 31, 1966, as proposed by the House.

**TITLE V—MISCELLANEOUS AGENCIES***Foreign Claims Settlement Commission*

Amendments Nos. 34 and 35: Appropriate \$73,000,000 for the payment of Philippine war damage claims of which \$500,000 is for salaries and expenses as proposed by the House instead of \$73,560,000 of which \$560,-000 is for salaries and expenses as proposed by the Senate.

*U.S. Information Agency*

Amendment No. 36: Restores the appropriation of \$1,600,000 for acquisition and construction of radio facilities as proposed by the House.

OTTO E. PASSMAN,  
J. VAUGHN GARY,  
CLARENCE CANNON,  
JOHN TABER,  
GERALD R. FORD, Jr.,  
Managers on the Part of the House.

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. SAYLOR'S remarks will appear hereafter in the Appendix.]

**EYES ON THE STARS; FEET ON THE GROUND**

(Mr. MULTER asked and was given permission to extend his remarks at this point.)

Mr. MULTER. Mr. Speaker, in a short time your gavel will fall, bringing an end to the 2d session of the 87th Congress.

Democratic leadership here and in the White House has produced many worthwhile accomplishments. Last year, during the first session, we enacted 83 major pieces of legislation as part of the New Frontier program of the sixties. This year we have continued the excellent record of enacting progressive and farsighted legislation in the public interest in spite of the obstructionism of the reactionaries in our midst, most of whom make up the Republican Party.

One could perhaps understand an opposition minority party which offered rational substitutes for legislation with which they disagreed. An opposition party which opposes for the sake of political gain has no right to exist. Too many Members of the minority party in this Congress forgot that once elected they represent all of the people and that it is their duty to serve them, not their party. They have no right to oppose destructively what is good for the country.

Constructive opposition is welcome. But constructive opposition proposes alternatives to good programs, not resistance to them. The obstructionists of the 87th Congress, however, can best be described as "do-nothings." Their only action has been negative their only aim to defeat legislation proposed by the majority party. Their opposition has been blind and obstructive. The examples of such negativism are many. I shall cite only a few.

Seventy-four percent of the Republicans in the House voted against the Area Redevelopment Act; 84 percent voted against the housing bill; 82 percent voted against raising the minimum wage; 99 percent voted against the farm bill which will save the country at least a half billion dollars a year; 92 percent voted against consideration of the proposed Department of Urban Affairs and Housing; 75 percent voted against the college aid bill; 75.5 percent of them voted to gut the trade bill; 53 percent voted against the water pollution control act; 91.4 percent voted to recommit the Cuban resolution.

And what have these negativists offered in place of this program? The answer is "Nothing."

In reviewing the past 2 years, and objective observer will have to concede that this Congress has made one of the most enviable records in American history. The New Deal which was characterized by recovery, and the Fair Deal, characterized by a sense of responsibility toward the average citizen and a maturing of America's attitude toward her responsibilities on the international scene, have now been logically succeeded by the New Frontier, reemphasizing Government's responsibility to the individual citizen, but also rightfully insisting that the citizen has a duty to his country.

Some of the accomplishments of this 2d session of the 87th Congress follow:

**ABOLITION OF POLL TAXES**

It was my honor during this session to be a cosponsor of one of the most important pieces of civil rights legislation





21. TRANSPORTATION. Conferees were appointed on H. R. 5700, to authorize the Secretary of the Treasury to designate any contract carrier, authorized to act as such by any agency of the U. S., as a carrier of bonded merchandise for the final release of which from customs custody a permit has not been issued (p. 21315). House conferees have already been appointed.
22. FOREIGN TRADE. Sen. Proxmire commended the State Department "on their ingenious action in planning to put into effect 2 weeks from now a program which will put real pressure upon our allies and other countries to stop trading with Cuba." pp. 21315-7
23. ELECTRIFICATION. Sen. Neuberger inserted a speech by Federal Power Commissioner Howard Morgan discussing "the technique of the Russians in long-distance power transmission." pp. 21317-9
24. SURPLUS FOOD. Sen. Hart inserted a resolution of the Mich. Certified Seed Potato Growers Assoc., Inc., urging additional use of surplus food to feed hungry people of the world. pp. 21329-30
25. BRIDGES; INSPECTION. Passed as reported H. R. 683, to authorize the Donna-Rio Bravo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Donna, Tex. p. 21338
26. CONSERVATION. Sen. Proxmire inserted an article urging greater efforts for the conservation of our natural resources. pp. 21352-3
27. FOREIGN TRADE. Sen. Kerr inserted a statement by Rep. Mills on the responsibilities of the special representative for trade negotiations who is to be appointed by the President under the recently passed foreign trade bill. pp. 21353-4
28. FEDERAL EXPENDITURES. Sen. Robertson expressed concern over Federal expenditures and inserted a tabulation of surpluses and deficits for the fiscal years 1789 to 1963. pp. 21361-2
29. FARM LABOR; WOOL. Passed with amendments H. R. 12213, to provide for the temporary suspension of the duties on corkboard insulation and on cork stoppers (pp. 21365-71). Agreed to an amendment by Sen. Bush to provide for the free importation of Karakul wools and other wools of whatever blood or origin not finer than 40s for use in glass polishing (pp. 21368-9). Agreed to an amendment by Sen. Williams, N.J., to authorize appropriations to provide day-care facilities for children of migratory agricultural workers (pp. 21370-1).
30. LEGISLATIVE PROGRAM. Sen. Mansfield stated that conference reports on the State-Justice-Commerce appropriation bill and the public works authorization bill will be considered Mon., Oct. 8. p. 21382
31. ADJOURNED until Mon., Oct. 8. p. 21395
32. FOREIGN AID APPROPRIATION BILL, 1963. By a vote of 171 to 108, agreed to the conference report on this bill, H. R. 13175, and acted on amendments in disagreement. pp. 21498-506-7
33. PERSONNEL. Rep. Monagan commended the service of Albion Patterson, recently retired from the position of Director of the AID mission in Argentina, for his efforts in eliminating foot-and-mouth disease in Argentina. pp. 21511

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14. AGRICULTURAL APPROPRIATION BILL, 1963. Considered further the conference report on this bill, H. R. 12648, and disagreed to the House amendment to Senate amendment No. 2 (relating to research and demonstrations on the production and utilization of agricultural products), and insisted further on the Senate amendments which are in disagreement. p. 21289
15. SUPPLEMENTAL APPROPRIATION BILL, 1963. Sen. Russell made a point of order against the filing of the report of the Appropriations Committee on this bill, H. R. 13290. Sen. Smathers gave notice of his intention to object to the consideration of this bill until it has lain at the desk for three days after having been reported. (pp. 21307-10). Sen. Holland stated that he would file the report on this bill on Mon., Oct. 8. (p. 21383)
- and
16. FARM PROGRAM. Sen. Morse commended the western regional Land/People Conference held in Portland, Ore., on Oct. 1 and 2, and inserted an article summarizing the work of the conference. pp. 21380-1
17. COTTON. Sen. Holland inserted an article by Sen. Eastland, "We've Got to Move to Save Cotton," in which he reviews the present situation regarding cotton and states that the price of cotton has to be lowered in order to make it more competitive in the world market. p. 21337
18. AGRICULTURAL CONSERVATION PROGRAM. Sen. Humphrey commended the ACP program and inserted an article explaining the purpose and accomplishment of the program. pp. 21330-1
19. FORESTRY. Passed without amendment H. R. 12434, to facilitate the work of the Forest Service (p. 21303). This bill will now be sent to the President. This bill includes provisions as follows: Authorizes the Secretary to exchange lands under the jurisdiction of the Forest Service for which no exchange authority now exists. Removes the 20-year limitation on the authority of the Secretary to revest in rightful owners by quitclaim deed title to lands under his administration acquired by mistake, etc. Authorizes the Secretary to provide (not to exceed \$35,000 annually) recreation facilities, equipment and services for certain employees of the Forest Service at isolated locations. Repeals the Forest Homestead Act which authorizes and directs the Secretary to classify National Forest lands chiefly valuable for agriculture for homestead entry. Repeals provisions of law which directs the Secretary "to sell at actual cost, to homestead settlers and farmers, for their domestic use, the mature, dead, and down timber in National Forests." Reduces the penalty for certain violations of regulations of the Secretary relating to the National Forests and National Grasslands to petty offenses. Increases from \$500 to a maximum of \$2500 the authorization to reimburse owners of private property for damage or destruction to their property caused by non-negligent action of Forest Service employees. Authorizes the use of Forest Service funds to pay expenses of, or assessments for, construction of sidewalks, curbs, or street paving along the boundary of Government-owned residential lots. Removes the limitation on the amount of capitalization in the Forest Service working capital fund.
- Sen. Morse inserted a letter from Secretary Freeman refuting charges in a newspaper editorial that the location of forest fire research laboratories were based on political influence. pp. 21381-2
20. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 5698, to extend the apportionment requirement of the Civil Service Act to temporary summer employment (S. Rept. 2283). p. 21290



United States  
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# Congressional Record

PROCEEDINGS AND DEBATES OF THE 87<sup>th</sup> CONGRESS, SECOND SESSION

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No. 183

## Senate

The Senate was not in session today. Its next meeting will be held on Monday, October 8, 1962, at 12 o'clock meridian.

## House of Representatives

SATURDAY, OCTOBER 6, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Hosea 14: 9: *The ways of the Lord are right and the just shall walk in them.*

O Thou God of all grace whose love never forgets, never forsakes, and never fails, we deeply feel the need of having our minds and hearts transformed and brought under the sway and spell of Thy will and Thy way for us.

We humbly acknowledge that life for all of us is at times so very complex in its demands but even more compelling in its persuasions and that we are frequently lacking in courage to perform our duties faithfully and in accepting the greater adventures of faith to which Thou art continually calling us.

Give us the fidelity and fortitude that dares to follow Thy leading when the path is rough and dark and we are tempted to allow our idealism to sour into cynicism.

Grant that beyond the turbulent and tragic events and happenings of our times we may see that a new day is emerging when men and nations shall disregard the claims of self-interest and live as brothers of the Prince of Peace which is our noblest obligation and highest privilege.

Hear us in Christ's name. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGowen, one of its clerks, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H.R. 8938. An act to provide a more definitive tariff classification description for light-weight bicycles; and

H.J. Res. 712. Joint resolution to direct the Franklin Delano Roosevelt Memorial Commission to consider possible changes in the winning design for the proposed memorial or the selection of a new design for such memorial.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 683. An act to authorize the Donna-Rio Bravo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Donna, Tex.; and

H.R. 12546. An act to amend the Life Insurance Company Act of the District of Columbia (48 Stat. 1145), approved June 19, 1934, as amended.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2953. An act relating to the tax-exempt status of the pension plan of Local Union No. 435 of the International Hod Carriers' Building and Common Laborers' Union of America.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3361) entitled "An act to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EASTLAND, Mr. JOHNSTON, Mr. McCLELLAN, Mr. HRUSKA, and Mr. KEATING to be the conferees on the part of the Senate.

### ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make a brief statement that the Chair will not recognize any Member for unanimous-consent requests until after the foreign assistance appropriations conference report is disposed of.

In order that Members may under-

stand the reason why the Chair is doing this, last night our dear friend and distinguished colleague, the gentleman from Louisiana [Mr. PASSMAN] had an accident. He was sent to the Naval Hospital. He is in his office. He is going to handle the conference report this morning.

This is one of the greatest exhibitions of dedicated service that I have ever seen. The gentleman is a warrior. The gentleman's action in being here today is far beyond the line of legislative duty. The Chair, and I know the Members, will all agree with the thoughts and the action of the Chair to have the conference report disposed of as quickly as possible so that the gentleman from Louisiana may go back to the hospital for further treatment. I simply want to emphasize that this is a powerful message to the country on the dedicated service of all Members, as represented by the action of the distinguished gentleman from Louisiana in insisting upon being present today in order that he may, himself, handle the conference report, despite the fact that he is under great pain and suffering and should be in the hospital.

### CALL OF THE HOUSE

Mr. BOGGS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 284]

Adair	Barrett	Blatnik
Alexander	Bass, N.H.	Blitch
Anfuso	Bates	Bolling
Arends	Becker	Bonner
Aspinall	Belcher	Boykin
Avery	Bell	Breeding
Bailey	Bennett, Mich.	Brewster
Baring	Berry	Bromwell

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Brown	Hébert	Pirnie
Buckley	Hlestand	Poage
Burke, Ky.	Hoeven	Poff
Cahill	Hoffman, Ill.	Powell
Carrey	Hoffman, Mich.	Rains
Celler	Holifield	Reifel
Chiperfield	Inouye	Reuss
Clark	Johnson, Wis.	Rhodes, Pa.
Coad	Jonas	Riley
Cramer	Jones, Mo.	Roberts, Ala.
Curtin	Karth	Rogers, Tex.
Daniels	Kearns	Roosevelt
Dawson	Kee	Rousset
Denton	Keogh	Ryan, Mich.
Derwinski	Kilburn	Santangelo
Diggs	King, Utah	Saund
Dingell	Kirwan	Saylor
Dominick	Kluczynski	Schadeberg
Dooley	Knox	Scherer
Dorn	Laird	Schwengel
Downing	Landrum	Scott
Edmondson	Łasinski	Scranton
Elliott	Loser	Seely-Brown
Ellsworth	McDonough	Selden
Evins	McDowell	Shelley
Farbstein	McIntire	Sheppard
Fenton	McSweeney	Shipley
Findley	McVey	Short
Fogarty	Mack	Sikes
Frazier	Magnuson	Siler
Frelinghuysen	Martin, Mass.	Sisk
Gallagher	Mason	Smith, Miss.
Garland	Meader	Spence
Giaimo	Michel	Staggers
Goodling	Miller, Clem	Sullivan
Gray	Miller,	Thompson, La.
Green, Pa.	George P.	Thompson, N.J.
Griffin	Milliken	Thornberry
Griffiths	Moore	Ullman
Hagan, Ga.	Morrison	Van Pelt
Haley	Moss	Van Zandt
Hall	Moulder	Vikson
Hansen	Nedzi	Watts
Harding	Nelsen	Weis
Harris	O'Brien, Ill.	Whaleney
Harrison, Va.	O'Hara, Mich.	Williams
Harvey, Ind.	O'Konski	Wilson, Calif.
Harvey, Mich.	Peterson	Yates
Hays	Pilcher	Zelenko

The SPEAKER. On this rollcall 264 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### FOREIGN AID APPROPRIATION BILL, 1963

Mr. PASSMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 5, 1962.)

Mr. ALFORD. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Arkansas.

Mr. ALFORD. Mr. Speaker, after a discussion with the physician of the Congress, I would like to announce to my colleagues that our distinguished colleague, the gentleman from Louisiana [Mr. PASSMAN], now in the well of the House, unfortunately suffered an accident last night and as a result he has a fracture of the left humerus, a fracture at the shoulder joint, which is actu-

ally fractured into four pieces, I am reliably informed. The final surgery has not been performed. The gentleman is in real pain. Because of his duties here in the House he is not able to respond as yet to medication so that he can care for the injury and carry on the discussion on the floor of the House today and present the conference report.

Mr. Speaker, I thought the membership of the House would like to be informed as to the nature of the gentleman's injury. He should be congratulated both for his statesmanship and his dedication to duty.

Mr. PASSMAN. I thank very much the gentleman from Arkansas, Dr. ALFORD.

Mr. Speaker, it has been suggested that my being down in the well of the House in a wheelchair might be a gag. This is not a Barnum & Bailey act. This is the U.S. House of Representatives. Permit me to assure you that even though I am in pain, I question whether I am in as much pain as about 187 million Americans who are going to have to foot the bill for the bill that I am now bringing out. So I agreed to suffer with them. I should think that when Lindbergh was flying to Paris, had he cracked up upon landing, the flight would not have been the success it turned out to be.

Mr. Speaker, having worked as long and as hard as I have worked to represent the House of Representatives and the people in trying to write reasonable legislation, with the support of a wonderful committee, to provide only the funds necessary to continue this program, I felt that it was my responsibility to report the conference bill to the House.

Mr. Speaker, of course a Member of Congress receives a little bit more attention than some other people. Had I been down on the farm I would have been plowing this morning. But, being a Member of Congress, I am receiving very special attention at the hospital. When I leave here they will fix me up in pretty good shape.

But, having worked so long and hard to bring this bill out, I thought I would like to make the final report on it.

Mr. Speaker, there are many reasons why I am glad that this bill is soon to be disposed of, one significant reason being that the State Department bureaucrats who have been lobbying on this bill since January can return to their regular assignments. The same thing applies to the White House flunkies. They have been out here so long, I do not know whether they will be able to find their way back to the White House or not, but I hope they will.

While you are in a sympathetic mood I should say that I am considering introducing a bill next year providing that State Department people and White House representatives sign up as lobbyists. Of course, that would be a very long list. But it may be a good idea to have them register as lobbyists and then we would know whom we are talking to. Many times, believing that I was talking to friends, I was giving away my secrets to some fellow downtown.

Mr. Speaker, referring now to title I only—the mutual security program—under the budget request sent up by the President, amounted to \$4,961,300,000. We are \$1,032,400,000 below the budget estimates. I do not have my notes here, but, if I remember correctly, the bill is \$825,900,000 below the authorizing legislation.

I might go further and say that the bill before the House calls for an appropriation \$585,700,000 below the amount we appropriated last session for these same purposes.

There has been some misunderstanding about the reductions in this bill. I think I should like to say to the House that last session we had two appropriation bills. The Alliance for Progress bill came out in May, just before we got into the fiscal year 1962 and appropriated \$600 million. A little later in the session, when the regular bill reached the floor of the House, the final conference called for \$3,914,600,000; so we actually appropriated last year for the same purposes, \$4,514,600,000. We are consolidating the Alliance for Progress with the regular bill this year and the total for the two amounts to \$3,928,900,000. It is worth repeating that the actual appropriation is \$585,700,000 below that of last year.

May I say very briefly, Mr. Speaker, that it is typical for each American, each Member of this House and the other body, to express his own personal views on this situation. I think we all agree that giving away our wealth is a new concept in foreign policy. From the beginning, from the time of the adoption of our Constitution 174 years ago, we became great, free, wealthy and respected, in that we had a firm and fair foreign policy based upon trade. It would appear to me, speaking for myself, that today our foreign policy, to a very large extent, is based upon aid, on the dissipation of our wealth and, of course, a high degree of appeasement.

If the membership would take the time to read the House report brought out by your subcommittee and take the time during your vacation, that is, during your sojourn in your district, and analyze the 3,200 pages of hearings, you will understand, maybe, for the first time why this subcommittee is rather insistent upon this bill.

If I may repeat, we spent 710 hours in hearings and research, with 9,000 pages of transcript and 3,200 pages of printed record. We believe that the foreign aid bill should as quickly as possible be cut back to our original goal of \$2.5 billion. We believe you will find ample reason if you read the hearings, as to why it is desirable to reduce this bill further.

If you will be patient with me for just a couple of minutes, may I say this—something I may not have said when we brought the bill out. We still have a balance-of-payments deficit. Our gold is still disappearing. As to the myth about 80 percent of the cost of the bill being spent in America, may I say that you can just interpret that the way you want to.

Under trade agreements we ship out our goods to the four corners of the

earth. We receive back goods or gold or dollars or convertible currencies from the recipient nations. But today, in this month of October, we push away from the ports \$400 million worth of our goods destined for maybe 101 of the 113 nations on the face of the earth. Instead of sending those bills to the recipient nations to be paid, the bills are sent down to the Treasury and they are paid out of the till of the U.S. taxpayer.

I figure it could best be stated by saying that I am a grocery man. My favorite customer comes in and I tell him, "I like you very much. Here is a \$100 check, but I want you to agree to spend \$80 of it in my store."

After all is said and done, when he has cashed that check and spent \$80 with me, I am out \$80 worth of groceries plus \$20 of my bank account.

You could talk all day and never make a better point. It is absolutely a myth, as far as I am personally concerned, calculated to make the American taxpayers believe that we are benefiting out of it.

Mr. Speaker, we had many amendments adopted during the debate on this bill. I hope that the membership will be gratified, and I would prefer it to be brought back from conference—incidentally, this may be of interest. When we went to conference the other body had put back approximately \$800 million of the original \$1,032,400,000 that the House, in its wisdom, saw fit to remove.

But the Senators are very brilliant people and after reading the committee report on our hearings, they yielded on \$493,900,000 and the House conferees yielded only \$298,500,000. That is the record and we are proud of it. Summing up the net results, it amounts to a reduction of \$585 million below comparable figures for last year.

Amendment No. 20 is the Cuban amendment as we have referred to it. We tried to reach a satisfactory compromise and we believe we have.

May I state very briefly, it cuts off all military aid including supplies and materials listed under the Battle Act to all nations selling, furnishing or shipping such aid to Cuba.

It cuts all economic assistance to all nations selling, furnishing or shipping such aid to Cuba unless the President determines that the withholding of such assistance is contrary to our national interest. In the event of such a determination, the President's decision must be published in the Federal Register with the reasons for his determination.

But I believe I can state, so far as the strategic materials and those listed under the Battle Act are concerned, the President does not have that prerogative under this legislation. We have cut it off completely. If any nation that is receiving aid should continue shipping war materials or any of the items listed under the Battle Act, then their foreign aid would be withdrawn.

This is identical with respect to Communist nations and if I may state it very briefly, it being repetitious, it cuts off all military aid including supplies listed under the Battle Act to all nations furnishing such material or aid to Communist nations.

We have brought back language that I think this House should be proud of. Had we had this in the bill a few years ago, we would not have given Tito, who is now sweetheating with Khrushchev, over \$1 billion. The exact figure is classified and I will not say how much more it is.

Mr. Speaker, I yield to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I am sorry that this bill comes up, as it does, at this time when our colleague, the gentleman from Louisiana [Mr. PASSMAN], has sustained such injuries. I wish to extend to him my wishes and earnest prayer for his rapid and complete recovery.

Mr. Speaker as for the bill itself, as I have said, it gets bigger and bigger every year and this year it is worse. In the fiscal year ended June 30, about \$106 billion was withdrawn from the Treasury. We have a bigger one in sight for the current year, and I feel certain that the debt will be even greater than it was last year. With that situation I feel obliged to vote against his bill. I think it is about time that we get to the point where we quit spending money in such a reckless fashion. The folks who appeared before us made a very poor presentation. They did not act like people who were competent to handle the job they were attempting to handle, and for that reason I feel that I must cast my vote against it.

I do want to say this, I believe that the subcommittee and the conferees brought in as much of a reduction as they possibly could under all the circumstances. The bill in conference called for a little over \$6.2 billion. It is below the budget to the tune of approximately \$1.1 billion. It is above the House figure by \$322 million and below the Senate figure by \$502.4 million. We have that satisfaction as to the way the issue was handled. I believe the gentleman from Louisiana [Mr. PASSMAN] did as good a job as anybody else could have done under all the circumstances. But we must come to realize that we cannot turn the assets our people produce over to the rest of the world scot-free and expect to survive.

I am leaving the House at the end of this session; I am leaving because I have probably been here as long as I should be. I feel that the best legacy I can leave to those who will carry on the work of the House of Representatives is that we must get this bill out and get rid of the idea of doing business the way we have been doing it for the last 15 years. That statement comes from one who probably has worked more hours on the bill and the whole picture than anybody else, because I started in on it on the 1st of April 1948. The presentation of the need or the lack of need that is required makes me feel very much that we must come to realize that we have come to the end of the rope of our possibility to carry on this sort of thing.

With that I shall ask for a vote on the conference report.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Speaker, it has been a great honor to serve in the Congress and on the Committee on Appropriations with this great patriotic American. We are going to miss the gentleman from New York [Mr. TABER] on the committee. It is through his untiring efforts that research has brought about many savings that we have been able to effectuate in this bill. In my opinion, he could render many more years of useful service in this House, but he has earned retirement.

Mr. Speaker, he better have an unpublished telephone number if he does not want to continue to have a lot to do with the consideration of this bill, because I am going to be calling him, and if he does not take the calls, I am going to see him.

Mr. TABER. Good luck, Mr. Chairman. Good luck to you and I hope for your speedy recovery and that when I see you next you will be your old self.

Mr. PASSMAN. I thank the gentleman.

Mr. Speaker, I should be most grateful if the Members would make a couple of mental notes as to what I shall say. Incidentally, it is something I wanted to say a while ago. I have looked it over so that you will know, as the committee knows. I do not like to be really unfair, and I shall not be. I do this so you will know what the committee knows, that is, you have created an uncontrolled and uncontrollable program. The people themselves who requested the funds and who administer the funds do not know themselves what they actually need.

I received a telegram this morning from a constituent saying that we had created a two-headed monster with hooks and horns that would most surely devour us economically if we did not return to the basis of trade and a firm foreign policy and get away from aid and appeasement.

I question whether I could have made that statement had it not been that, dealing with title I only in this bill, and, Mr. Speaker, this is important, the administration came down and requested \$4,961,300,000 and said time and time again if they did not get this money we would wreck the program. You get the same story every year. They do, incidentally, change the date of the letter.

What actually happened—and if you do not believe it is uncontrolled and uncontrollable and that they do not know what they need—we reduced the estimate by \$1,032,400,000. Now they say they are perfectly happy and have all the money they need. I wish you would try to reconcile those two statements. In the beginning they said "If you cut our request, you will wreck the program and ruin our foreign policy."

However, when we cut it \$1 billion then they come along and say "Everything is hunky-dory; that is all the money we need, and thank you so much for giving it to us."

Mr. Speaker, I hope the Members of the House understand why this committee lives up to its responsibilities and takes some of the fat out of this bill. Of

course, we cannot get all of the fat out of the bill, but we can take some of the fat out of it.

Mr. Speaker, I disliked having to make that statement, but it is a matter of record. I do not think the American system supports the policy of "hollering wolf" in the beginning and after we cut the request, have them praise us. In all probability next year they will say "You still gave us about \$1 billion more than we can spend."

Mr. Speaker, I hope to be back before the House next year, reporting this bill again, and while I am here this morning I would like to be able to point back to what I have said when we bring the bill out next year. Perhaps, again, we will get through with a bill without having any amendments to load it up.

Mr. Speaker, I now yield such time as he may consume to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, when this bill came on the floor for the first time I made the statement then that I believed that it had been more thoroughly studied and more carefully prepared than any bill that had previously been presented to this Congress. I reiterate that statement at the present time.

The Members of the House will recall that we did cut the bill. We thought that cuts were justified. That has been the policy since the beginning of this program. Whenever we thought cuts were justified, we recommended cuts in the bill.

Mr. Speaker, the other body saw fit to restore some of those cuts. However, I want to say to the Membership of the House that the same determination that actuated the committee in framing the bill originally was exhibited in the conference with the other body. Our conferees stood firm, as is attested to by the fact that we came off with much better than a 50-50 break, which is so often customary in conferences of this kind. That was due to the fact, in large measure—almost entirely to the fact—that our chairman knew the details of this bill. I want to say to the Members of the House that I do not believe there is any man in the Congress, and I doubt if there is any in the departments who is as familiar with the details of this bill as is the chairman of our subcommittee, the gentleman from Louisiana [Mr. PASSMAN]. The gentleman has no difficulty in defending the bill because he has the facts, he can fully justify the action of the committee, and he maintains his position, as all of the Members know, with great effectiveness. That was true in our conference with the other body.

Mr. Speaker, as a result we have brought back to the House a good bill, and one which I think every Member of the House can support.

Mr. WALTER. Mr. Speaker, will the gentleman from Virginia yield?

Mr. GARY. I shall be glad to yield to the gentleman from Pennsylvania.

Mr. WALTER. I notice in the statement that amendment No. 4, international organizations and programs, is reported in disagreement.

I trust that this does not mean that there will be an attempt made to include in the law those very unsound and, may I say, ridiculous proposals for projects that are not sound in the judgment of those who know something about this.

Mr. GARY. Mr. Speaker, I can assure the gentleman that is not the case. We have taken care of that situation. The disagreement is largely a technical disagreement. We have agreed to language, but because there was some change in the language, it had to be brought back in disagreement. We did not accept the Senate language. The Senate wanted to leave it wide open so that transfers could be made to those agencies. We would not agree to that, but we did finally accept, in order to reach a compromise, a reasonable limit for such transfers.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. GARY. I am glad to yield.

Mr. PASSMAN. Is it not true that heretofore we appropriated all the money for the international organizations, the amount this year being \$148,900,000?

Mr. GARY. That is correct.

Mr. PASSMAN. We also gave them all the money they requested last year. Notwithstanding that fact, they were transferring money out of the military into the contingency fund, into the U.N., out of the contingency into the Technical Aid Program.

So this year at least we have a limitation, and the most they may transfer is \$10 million; is that correct?

Mr. GARY. The gentleman is absolutely correct. And the reason that was put in there was because the Senator from Florida suggested we might run into some difficulty in connection with the Organization of American States where it might be necessary to add some additional funds. He did not want to tie the hands of the President so that he could not use some of his contingency fund if an emergency of that kind should arise.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman.

Mr. WALTER. What is the amount of the contingency fund provided in this measure?

Mr. PASSMAN. Mr. Speaker, if the gentleman will yield to me, it is \$250 million.

Mr. GARY. That is correct.

Mr. WALTER. How does that compare with the amount last year?

Mr. PASSMAN. It is \$25 million under last year.

Mr. WALTER. \$25 million under last year?

Mr. PASSMAN. Yes.

Mr. GARY. It was \$275 million last year.

Mr. MONAGAN. Mr. Speaker, will the gentleman yield to me?

Mr. GARY. I yield to the gentleman.

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, I also commend the courage of our colleague, Mr. PASSMAN, here today.

I offered an amendment to this bill during debate in the House which was accepted and now appears in substance as section 112.

During the conference one word in my amendment was changed from "selected" to "approved," but it is quite possible that this change has improved this section and will make it possible to retain in U.S. hands control over the precontract details of foreign aid capital projects.

The purpose of this amendment is to supersede the AID directive of June 15, 1962, with its change in policy.

In order to clearly show the intent of this amendment. I insert hereafter, for the purpose of showing the AID policy which this amendment changes, the AID directive PD-5 dated June 15, 1962, and the accompanying statement of policy and summary comment:

#### ADMINISTRATION OF CAPITAL PROJECTS (STATEMENT OF POLICY AND SUMMARY COMMENT)

AID has adopted a policy for the administration of capital projects which will be put into effect in each region as soon as the necessary instructions can be issued. The aim of the policy is to provide a like method of implementing projects whether financed by loan or grant. A complete statement of the policy will be issued later. Meanwhile U.S. AID's are being formed of the salient features so they can consider any new relationships with the host country or internal organizational changes which may be required to carry out the purposes of the policy.

It is not contemplated that the policy will affect the method of implementing projects which are at such an advanced stage that change would disrupt orderly progress. Projects financed by AID with local currency only are exempt from the policy but will be the subject of a later policy statement.

1. "A capital project is any specific, self-contained undertaking requiring a total AID financing in excess of \$100,000 which is intended to result in the construction, expansion, or alteration of a physical facility. Feasibility studies, design, procurement, construction, inspection, management, and training directed toward the realization of utilization of a capital project are considered parts of the project."

2. "AID will administer all capital projects by controlling and monitoring the use of AID funds rather than by direct involvement in the contracting, engineering, procurement, and construction, regardless of the method of financing."

Comment: Contractual arrangements will be made by the borrower/grantee with the firms it selects to do engineering and construction. AID will retain the right to approve the selection of service firms. Contracts will be approved on the basis of engineering and legal acceptability. Other controls to be exercised by AID, including appropriate audits, will be specified in the procedures. The thrust of the policy is to place as much responsibility on the recipient country as possible with prudent control exercised by AID to assure proper expenditure of its funds and proper achievement of the project.

On May 31, 1962, the executive staff discussed the paper prepared under the leadership of the Office of Engineering entitled "Administration of Capital Projects." As a result of this discussion the Administrator approved the adoption of a policy for the administration of capital projects which is outlined in its essentials in the attached circular airgram. The airgram has been sent

to the field for the purpose of informing AID personnel of the salient features of the policy so that the U.S. AID can consider any new relationships with the host country or internal organizational changes which may be required to carry out the purposes of the policy. A complete statement of the policy will be issued later.

Responsibility for preparing a full statement of the policy and procedures to implement it is assigned to the Office of Engineering, which will work with designees of the four regional bureaus, the Office of General Counsel, and the Office of Management Planning.

DONALD B. EASUM,  
Executive Secretary.

MR. BONNER. Mr. Speaker, will the gentleman yield?

MR. GARY. I yield.

MR. BONNER. Mr. Speaker, I merely want to ask the gentleman if the amount adopted by the House placing a limitation on funds in this bill that can be utilized for paying for cargoes on vessels carrying economic or military supplies to Cuba was stricken out in conference, or does it remain?

MR. GARY. No; we adopted language with respect to Cuba that I think will take care of the gentleman's point completely.

MR. BONNER. I would like to know what the language is. There were two or three amendments of this type that were adopted.

MR. PASSMAN. Mr. Speaker, will the gentleman yield?

MR. GARY. I yield to the chairman.

MR. PASSMAN. It is covered under amendment No. 20.

MR. GARY. What we did was to combine all three of the amendments into one amendment, instead of having three separate amendments. If the gentleman would like me to read it, it consists of two paragraphs here.

MR. BONNER. I think this is a matter that is very interesting to the country. The papers are full of this subject all around the country today.

MR. GARY. Mr. Speaker, we shall reach this amendment separately. It is reported back in disagreement. If the gentleman would rather take it up at that time, it will be discussed then.

MR. BONNER. When the amendment is called up? When is that?

MR. GARY. After the adoption of the conference report.

MR. PASSMAN. We have eight amendments in technical disagreement and we shall explain each one of them, if desired.

MR. BONNER. Mr. Speaker, I understand now and shall defer until that time.

MR. JENSEN. Mr. Speaker, will the gentleman yield to me?

MR. GARY. I am glad to yield to the gentleman.

MR. JENSEN. Mr. Speaker, I am deeply sorry about the accident to our very wonderful colleague, the gentleman from Louisiana [Mr. PASSMAN]. I have followed him in all of his doings on this committee. I have the highest regard for him as a great legislator and a great American. I, however, have not found it in my heart to vote for any of this foreign aid since the shooting war stopped

in Korea. But I know the gentleman from Louisiana [Mr. PASSMAN] has done his very best in reducing this bill as much as possible.

I do want to say while I am here on my feet that if the fates are willing it will be my responsibility to try as best I can to step into the place made vacant on the Committee on Appropriations by our very able and esteemed colleague, the gentleman from New York [Mr. TABER], who found it in his heart to retire after this session of Congress.

I have been on the Committee on Appropriations for 20 years. I have worked very closely with Mr. TABER. I have learned much from his fine measurements of all legislation and of appropriations. I shall miss him more than anyone in this House, I am sure, because it is rather frightening to know that I will be called upon next session, if the fates are willing that I return, to take over the great work that Mr. TABER has done so ably for 40 years as a member of the Committee on Appropriations. I can only ask my colleagues on the committee and my colleagues in the House to bear with me and to realize the great responsibility that rests on my shoulders and the shoulders of every Member of this Congress in that great and important job of trying as best we can to stop national bankruptcy for this beloved Nation of ours.

Again I say, Mr. PASSMAN, I hope and pray that you will soon be as good as new, and when I say as good as new, that is mighty good, because you are a great American, you have labored hard and long, and I know that you will be rewarded in the days to come for the fine job you do in this Congress of the United States of America.

MR. GARY. Mr. Speaker, I yield to no one in this House in my admiration and affection for the great and good Representative from New York, Mr. TABER. I have worked with Mr. TABER since first becoming a member of this committee, and it has been a labor of love. I owe him a debt of gratitude for his many courtesies and his assistance.

I also want to say that when the news came to me last night of the injury of our distinguished chairman I was terribly distressed. I am delighted that even though I know he is in great pain and is making a great sacrifice, he is on the floor of the House today handling this bill. I wish for him prompt, complete, and full recovery.

MR. GROSS. Mr. Speaker, will the gentleman yield?

MR. GARY. I yield to the gentleman from Iowa.

MR. GROSS. The cold arithmetic of this situation is that the State Department came to the House of Representatives with a deliberately bloated budget request for nearly \$7.5 billion for this foreign giveaway program. The House reduced this figure about a billion and a half, or down to about \$6 billion. The bill went to the Senate which bloated the House figure by about \$800 million.

The figure we have before us today in the House, as I understand it, is \$322 million above that originally approved

by the House although we were told then by members of the committee that it contained plenty of fat at \$6 billion. I will say to the gentleman from Virginia that had it not been for the injury to our esteemed colleague, I certainly would today offer a motion to recommit this bill to conference with instructions to stay with the House figure, which I repeat was \$322 million less than the figure now before us. Were it not for the unfortunate accident to my friend from Louisiana, Mr. PASSMAN, I certainly would offer a motion to recommit, but apparently the chairman of the subcommittee, Mr. PASSMAN, would not be able to function in a renewed conference so I will not offer the motion. Without his presence I feel the conference would be futile.

MR. PASSMAN. Mr. Speaker, if the gentleman will yield; do not let the gentleman from Louisiana prevent you from doing whatever you want to do. If I had not felt that I was capable of handling this bill, I would still be at the hospital. So do not change your plans on account of the condition of the gentleman from Louisiana. But, let me suggest to the gentleman from Iowa and call his attention to the section under mutual security where you will find that we did not yield except to the extent of \$298,500,000. The gentleman knows we have in the bill the Philippine war claims, and we reduced that amount back to the House figure.

Do not let the gentleman's condition change the gentleman's mind. You proceed just the same as if I was getting ready to go to the golf course. I am not looking for sympathy. I am looking for good legislation, and if I cannot complete this, you have a lot of Members here who can take over. So you please proceed in the regular way.

MR. GROSS. Mr. Speaker, if the gentleman will yield, I reiterate that I would certainly want the gentleman from Louisiana on any conference and any further conference on this bill so I will not offer the motion.

MR. PASSMAN. If I could come to this Chamber today, I can go to a conference.

MR. GARY. I must say to our esteemed colleague, the gentleman from Louisiana, that our subcommittee would also want him to attend any conference on this bill.

MR. PASSMAN. Mr. Speaker, I yield 7 minutes to the distinguished gentleman from Michigan [Mr. FORD].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

MR. FORD. Mr. Speaker, in deference and out of respect to our children, Mr. PASSMAN, I do not intend to speak at any length. I, like all of you, deeply regret his disability, and we certainly extend to you, Otto, our best wishes for a quick and complete recovery.

MR. SPEAKER. I think most people here know my fundamental feelings concerning this kind of legislation. I have supported it since I came to the House. I have opposed in many, many instances reductions where I thought they were

unjustified. I am particularly concerned as to military assistance and the supporting assistance areas.

I think with one or two exceptions, this is an excellent bill. In the case of military assistance, the funds are a little marginal. However, I have two reasons to feel that if we do run into difficulty, the President and the Congress can handle the situation.

First, I think the chairman, the gentleman from Louisiana, if an emergency arose right after we reconvene in January would act promptly on additional fund requests to supplement those funds that are made available here.

Certainly \$1,325 million is substantial and will be adequate for the period between now and January 1963. If anything does turn up that is really serious after Congress has reconvened I am certain the chairman would act promptly to meet this crisis.

Furthermore the President has under section 510 of the authorization act the right to draw up to \$300 million in military supplies from our own U.S. stocks. If such action was necessary then in January the President could request Congress to make available funds so that the Defense Department could replenish its stock. There is therefore enough money in here for the military assistance program, when you look at the realities of the situation.

The total action by the conference committee was sound. We put the \$300 million or thereabouts in about the right places. We allocated an additional \$44 million in supporting assistance over the House figure. This was a big help in this account. It was absolutely essential to take such action.

As the chairman knows, I supported him in this overall figure. We were able to make some desirable revisions in various accounts that I think were sound.

The changes which we made in the conference in sections 107 and 109 are practical and I think sound. Section 107 categorically states the President must cut off aid for any country which sells, furnishes, or permits any ship under its registry to carry military assistance to Cuba. In this instance there is no leeway whatsoever. None.

In the area of economic assistance, however, it states that aid shall be cut off if such country sells, furnishes, or permits any ships under its registry to carry items to Cuba, but the President may make an exception by making a determination that such action is in the best interest of the United States.

Section 109, follows the same pattern—no leeway where military assistance is concerned and discretion on economic aid. We do permit the President leeway as far as economic assistance is concerned. This is similar to the authority given former President Eisenhower.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. MAHON. There are many who will vote for legislation of the type which is before us today on the basis that it is essential and vital to the defense of the United States. There are many who feel

that this type of program, despite its imperfections, has made it possible for us to ring the Soviet Union with bases and maintain those bases from year to year, and there are over 100 bases overseas.

There are some who feel that the U-2 could not have done its spectacular job a few years ago, which meant the saving of tremendous sums in our defense planning without a program somewhat comparable to this program.

We all recognize that we do not have a perfect program. The gentleman and I have worked throughout the years on defense appropriations. I would like for the gentleman to say whether or not in his opinion this type of legislation is essential and vital to the defense of the country and whether or not without this legislation we would have to increase sharply the defense budget?

Mr. FORD. In my judgment, this legislation is vital to the defense of the country. Second, if we did not make available the military assistance and the supporting assistance funds here for our allies so that they could have soldiers, sailors, and airmen, well equipped and well trained, it would cost us in our own defense program considerably more than it does at present. Furthermore it would put a far greater burden on the manhood of America. We would have to increase the active duty strength of our own Army, Navy, and Air Force if we did not have the military assistance program.

Mr. MAHON. In the event of war, do you think it is desirable to have men in the uniform of other governments to do some of the sacrificing and assume something of the burden rather than our undertaking to bear it all?

Mr. FORD. I do, and this program provides the money so that our allies can increase their own military strength and spread the burden, of defending freedom against communism.

Mr. PASSMAN. Mr. Speaker, when two men are in business and they always agree, one is unnecessary.

I have profound respect for the gentleman from Virginia and his opinions, and this applies also to the gentleman from Texas and his opinions. But I want to say we are not talking about our regular Defense Department when we talk about this military aid under the foreign aid program. We are talking about the State Department military program, with the exception of NATO and a few other places. You take some of your new African countries and they only want bread and butter. But you get a few nations where they have a population of 3 million or more and they want guns so that they can start shooting. You have so much money in this bill for the military assistance program. I know of an instance where the Defense Department shipped out two guns per soldier, in another nation they shipped out 1½ guns per soldier. You gave the Emperor of Ethiopia a yacht with a million dollars' worth of air conditioning on it. In another nation you gave two planes for each pilot.

Mr. Speaker, I say that the military part of this is the most wasteful part of the program. But when you say "mili-

tary" it brings praise and it is hard to oppose it.

I am not quarreling with the United Nations, even though many of the members thereof are better able to pick up the checks than we are.

I have handled this bill for many years and I have held hearings on it. They have so much money in this military assistance program that they are transferring it out of the military to the U.N. and from the U.N. into the Congo in the form of economic aid. These people have been insincere in their presentation and have no justification at all for their requests. There is at least a half billion dollars in phony obligations here.

If I may go one step further; I asked these people in the military assistance program, of the 65 nations if they knew what nations they were to give military aid to; if so, what, and when.

They said "It would take us 6 months to tell you to whom we have allocated these billions, for what, and for what kind of hardware."

Mr. Speaker, I am not quarreling with the distinguished gentleman from Texas. But I do not want to leave the Membership of the House under the impression that there is anything sacred about this State Department military arm other than the NATO alliance.

Mr. MAHON. Mr. Speaker, will the gentleman yield further?

Mr. PASSMAN. Yes; I am happy to yield further to the gentleman.

Mr. MAHON. As the gentleman from Louisiana knows, yesterday we passed a resolution stating that we would stand firm in Berlin, and is it not true, in part, at least, that we are able to stand firm in Berlin because following World War II through foreign aid and otherwise we prevented the total and complete collapse of Western Europe to communism? We helped the nations of Western Europe get on their feet. We have helped them make themselves strong. Is it not further true as a result of our helping them become strong that they have provided us additional markets, and except for their strength, we would not be in nearly as good a position to stand firm in Berlin? I am speaking in general terms on a very big subject. I would not say for a moment that all our military aid funds have been wisely spent. I am sure that no adequate defense could be made for some of the military aid which we have upon occasion provided.

As a further sidelight on this entire problem, is it not well to remember that while there are many imperfections and wasteful practices in the program and many mistakes have been made, if we talk only of the mistakes, we may fail to see and realize that some elements of the program are vitally important to the countries involved and to the security and survival of the United States?

Mr. PASSMAN. That is your opinion. If you would give them military aid, but not give the State Department a military arm, that might be all right. Even the military people will tell you that if the State Department would keep its nose out of it they would not need all this money.

Mr. Speaker, we have such aid going to some 17 nations. Some of those people want money and not guns. I say it is the most extravagant and the most misrepresented part of the bill. I have reference, of course, to the so-called military section of the bill. They could use some money wisely, but not all for which they are asking.

Mr. MAHON. If the gentleman would yield further, I wish to commend the gentleman from Louisiana for the magnificent job which he has done on this bill. I think the gentleman has done as good or a better job this year than in previous years. He has performed a service to the country and I support him. I am glad that the reductions were made.

Mr. PASSMAN: I thank the gentleman.

Mr. MAHON. Had the reductions not been made, I do not think I could have voted for this bill.

Mr. PASSMAN. I thank the distinguished gentleman. But my time is about up. I am not fussing with reference to the bill which the gentleman from Texas handles. I am talking about this State Department military arm that they are operating all over the world. If we were able to keep the State Department downtown, we would not need but about \$250 million for this particular program. They are looking for ways in which to throw money away.

When you start shipping two guns per soldier to a nation and furnishing them two airplanes per pilot, that is going a little far.

Mr. WILSON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. Yes, I yield to the gentleman from Indiana.

Mr. WILSON of Indiana. I think we all are aware of the fact that much of the money spent by the military, whether it be in this appropriation bill or in any other bill, is misdirected and wasted. No one has attempted here to defend the vital military appropriation in this bill which went for 75 tanks which were given to a country, which country did not want them and would not accept them. As a result, we had to pay the acquisition cost in order to get them to take them.

Mr. PASSMAN. I thank the distinguished gentleman from Indiana for his contribution.

Mr. Speaker, I have 30 seconds left, and if I may—I am not saying this just today, because I said it 16 years ago and I have repeated it many times since: I think that we have in our midst one of the greatest, most brilliant, patriotic, Christian Americans that it has ever been our honor to know and with whom to associate. Sixteen years ago I went to this great man, and I said "if the time should ever come when there is a vacancy in the Speakership of the House of Representatives, I want the privilege of voting for you." Last year I called this good man over long distance. I said "I am with you first, last and always."

This man is a good man; he is a Christian man; he is a fair man. When history is written, he will go down in history as one of the greatest Speakers who

ever served in this House of Representatives.

This morning, in all the 16 years I have been in the Congress, the highest honor I have ever had was paid to me when this great Christian, patriotic American, having learned that I had had this little accident, dropped everything, humbled himself and came to my office to see how I was getting along. I have known for 16 years he was that kind of a man. If you do not know the type of Speaker you have, you ought to get acquainted with him. He is a Christian, he is lovable, he is able; and I hope the Supreme Architect of the universe will give him many, many years to preside over this House, which he can do in such a way that will greatly dignify this body and make it enjoyable for many of us to carry out our difficult problems.

Mr. PELLY. Mr. Speaker, I support the foreign aid conference report.

Especially, it is pleasing to have the final version of the foreign assistance appropriations bill, after the House and Senate have composed their differences, include my amendment adding a new provision to section 107 which provides that none of the foreign aid funds go to any country which permits its vessels to transport arms or strategic materials to Cuba.

The revised language giving the President power to allow such aid if he deems it in the national interest weakens my amendment. The national interest always seems to be what the State Department regards as not antagonizing any foreign country. Under the Mutual Defense Assistance Act of 1951 the President can waive just such a provision to withhold aid to any nation that allows the sale of arms or strategic materials to Communist bloc nations. Never once under this act—and there have been 19 cases where nations have shipped such materials to the Communists—has a President failed to find that aid should continue. Always, it seems the proviso to cut off aid is vetoed. But the details of all these 19 examples are not available. They are classified under executive privilege.

However, I do think my amendment, though weakened, adds to the bill. I appreciate and commend the House managers and the chairman, the gentleman from Louisiana [Mr. PASSMAN], for retaining it.

As I said, Mr. Speaker, I shall vote for the conference report.

Mr. HARSHA. Mr. Speaker, I would like on this occasion to go on record as stating that it is my feeling the House conferees on the foreign aid appropriations bill have yielded to the pressure of the State Department and have shirked their responsibility to the taxpayers.

By accepting an increase of over \$300 million in the funds appropriated for foreign aid and by back-pedaling on the resolution to prevent aid to Communist countries and to those nations providing economic aid to Cuba, the conferees have capitulated and approved an action that they could not justify.

The State Department has in its plans for this year, economic aid to Communist

governments and there is little doubt but what it will continue to dole out millions to those nations who trade with Cuba in view of the watered-down resolution accepted by the conferees. The conferees cannot possibly justify fattening up this bill by over \$300 million when the chairman of the committee told the Congress that the administration could not justify any sums over the figure \$3.6 billion for economic and military assistance previously adopted by the House. While this appropriation is popularly called a \$3.9 billion appropriation for foreign aid—that is only half the story because this same bill calls for an additional \$2.3 billion for other phases of the foreign aid program, making a total outlay of almost \$6.3 billion. In addition, there is approximately \$7 billion in the foreign aid stockpile that is unexpended, enough to continue the foreign aid program for 2 years without another single penny.

The most significant single factor in our gold outflow situation is this continual drain on our assets through foreign aid. This contributes more than anything else to the unfavorable balance-of-payments deficit. The taxpayers of America cannot continue to sustain the economy of 101 nations throughout the world plus the extravagant expenditures of this country.

Mr. MONAGAN. Mr. Speaker, it is clear that the time has come for the Congress to take a fresh look at our foreign aid program. Failure in performance, inability to reach objectives, and waste have contributed to the feeling of disillusionment and downright opposition which is characteristic of an increasingly larger portion of the American people.

Events of the past year have demonstrated that we have come to a great divide where foreign assistance is concerned and we have started down the darker slope. Where we finish will depend upon our attitude and that of the executive which is charged with administering this program.

Technical assistance began in a modest way in areas like Latin America. Then came the massive infusions of assistance in Europe, after the war, with the Marshall plan. Later came the proliferation of programs with loans, grants, military assistance, guarantees of international lending, food for peace, and the Peace Corps.

However, even though there were areas of great success such as in Europe—in Italy and in Greece, for example—the spread of applicants for aid, the increasing cost of the program, the ill-considered use of funds and the foolishness, the inefficiency, and the illegality which were too often apparent sapped the interest and support of the American people and caused eyebrows in Congress to be raised to increasing height as time went by.

Most serious has been the feeling that in many cases we are wasting our money. Even though we might not insist on confining our aid to militarily or politically strategic areas as the Communists tend to do, nevertheless, there must be some

limit to the area over which we can spread ourselves.

There must be some end to the grant of funds without promise of benefit to the United States or the donee country. There must be some termination of the lavish grants to those who promptly turn and sock us on the jaw.

As someone has asked, would it not be permissible for us to let one country somewhere in the world fall to the Communists? Perhaps a small one.

The effect on the people of that country and upon the world might be startlingly beneficial to us. Certainly experience with communism has not endeared its supposed beneficiaries to that system.

There have been significant signs of a change in thinking about foreign aid.

A prominent newspaper columnist has recently urged that we get rid of the myths of foreign aid and return to facts and in the words of President Kennedy in another connection to a difficult but essential confrontation with reality.

This same columnist pointed out that it was foolish to consider our colleague, the gentleman from Louisiana [Mr. PASSMAN], as a sort of diabolical figure who singlehandedly held back the forces of light in their attempts to expand the program. There was, he stated, a deeper public opposition which manifested itself through Mr. PASSMAN but was not personal to him. In fact, until this year, appropriations have approximated authorizations.

Another harbinger of change has been the recent circulation of a memorandum by a high administration official, formerly a strong advocate of more, broader and bigger programs who now advocates broad scale reform and radical revision of policies.

There are many criticisms of our aid programs, but even supporters agree upon certain significant points of objection which must be considered before we take up authorizations and appropriations in the 88th Congress.

These reasonable grounds for criticism include the failure of our allies to share a fair burden of the load, our failure to insist upon reforms as a price of assistance, the use of aid money for wasteful political objectives rather than constructive economic ones and our frightened reluctance to let nations turn to Moscow in accordance with the threats which they make to sandbag us for aid money.

Among these points is the refusal of aid agency officials to be realistic about their failures and shortcomings, to admit their mistakes, and, most important of all, to do something about them. The confidence of Congress is not increased by finding its recommendations for improvement countered with airy insouciance.

Recent hearings on the operations of REPAS, the research arm of AID have revealed shocking examples of loose contracting, indefinite objectives, absence of legal controls and obvious waste.

It must be emphasized that the sort of calm review which is needed will not be attained if we continue to describe, as the President did, every cut in appropriations to be a threat to the free

world or to characterize as irresponsible those who sought reexamination. We must abandon this type of stump language and talk specifics.

Not the least of our objectives should be the return to the Congress of a critical sense and an insistence upon its own prerogatives in the field of foreign policy. The House of Representatives is not an arm of the executive, but an independent branch. We should, of course, give every favorable presumption to our Secretary of State and support our President in every possible way in these difficult times, but we should not be led down the garden path against our better judgment only to find that we have been abandoned by those who sought to persuade us.

Now that we have passed the foreign aid appropriations bill for next year, we have a great responsibility to consider these criticisms which now are rife and to prepare our thinking for next year.

This is a great opportunity if we act wisely, but there may well be a revolution if we continue to drift.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the conference report.

Mr. GROSS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The question is on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The yeas and nays were ordered.

The question was taken; and there were—yeas 171, nays 108, not voting 157, as follows:

[Roll No. 285]

YEAS—171

Addabbo	Flood	Merrow
Albert	Ford	Miller, N.Y.
Ashley	Frazier	Mills
Auchincloss	Friedel	Monagan
Ayres	Fulton	Montoya
Bailey	Gallagher	Moorhead, Pa.
Baker	Garmatz	Morgan
Baldwin	Gary	Morse
Barry	Gilbert	Mosher
Bass, Tenn.	Glenn	Multer
Beckworth	Gonzalez	Murphy
Bennett, Fla.	Granahan	Natcher
Boggs	Green, Oreg.	Nix
Boland	Hagen, Calif.	Norblad
Bolton	Halleck	Norrell
Bonner	Halpern	O'Brien, N.Y.
Brademas	Hardy	O'Hara, Ill.
Brewster	Healey	Olsen
Brooks, Tex.	Hechler	O'Neill
Broomfield	Herlong	Osmers
Burke, Mass.	Holland	Ostertag
Byrne, Pa.	Hosmer	Passman
Byrnes, Wis.	Huddleston	Patman
Cahill	Joelson	Pelly
Cannon	Johnson, Calif.	Perkins
Chelf	Johnson, Md.	Philbin
Cohelan	Jones, Ala.	Pike
Conte	Judd	Price
Cook	Karsten	Pucinski
Cooley	Kastenmeier	Purcell
Corbett	Kearns	Quie
Corman	Keith	Randall
Curtis, Mass.	Kelly	Reece
Daddario	King, Calif.	Riehlman
Dague	Kowalski	Rivers, Alaska
Davis, Tenn.	Kunkel	Roberts, Tex.
Dawson	Lane	Robison
Delaney	Langen	Rodino
Dent	Lankford	Rogers, Colo.
Deronian	Libonati	Rooney
Donohue	Lindsay	Rosenthal
Doyle	McFall	Rostenkowski
Dulski	Macdonald	Ryan, N.Y.
Dwyer	MacGregor	St. Gcrmain
Everett	Madden	Schneebeli
Fallon	Mahon	Schweiker
Fascell	Malliard	Shelley .
Feighan	Marshall	Sibal
Flnegan	Mathias	Slack
Flno	Matthews	Smith, Iowa

Smith, Miss.	Tollefson	Weaver
Springer	Trimble	Wickersham
Stafford	Tupper	Widnall
Stratton	Udall, Morris K.	Wilson, Calif.
Stubblefield	Vanik	Wright
Thompson, Tex.	Wallhauser	Younger
Toll	Walter	Zablocki

NAYS—108

Abblitt	Forrester	Morris
Abernethy	Fountain	Moulder
Alford	Gathings	Murray
Alger	Gavin	Nygaard
Andersen,	Goodell	Pfost
Minn.	Grant	Pillion
Anderson, Ill.	Gross	Poff
Andrews	Gubser	Ray
Ashbrook	Harrison, Wyo.	Rhodes, Ariz.
Ashmore	Harsha	Rivers, S.C.
Battin	Hempfill	Rogers, Fla.
Beermann	Henderson	Roudebush
Betts	Horan	Roush
Bow	Hull	Rutherford
Bray	Ichord, Mo.	St. George
Broyhill	Jarman	Schenck
Bruce	Jennings	• Shriver
Burleson	Jensen	Smith, Calif.
Casey	Johansen	Smith, Va.
Cederberg	Kilgore	Steed
Chamberlain	King, N.Y.	Stephens
Chenoweth	Kitchin	Taber
Church	Kornegay	Teague, Calif.
Clancy	Kyl	Teague, Tex.
Collier	Landrum	Thomas
Cunningham	Latta	Thomson, Wis.
Curtis, Mo.	Llpscomb	Tuck
Davis,	McCumloch	Utt
James C.	McMillan	Waggoner
Davis, John W.	McVey	Westland
Devine	Martin, Nebr.	Wharton
Dole	May	Whitten
Dowdy	Minshall	Willis
Durno	Moeller	Wilson, Ind.
Fisher	Moorehead,	Winstead
Flynt	Ohio	Young

NOT VOTING—157

Adair	Griffin	O'Brien, Ill.
Alexander	Griffiths	O'Hara, Mich.
Anfuso	Hagan, Ga.	O'Konski
Arends	Haley	Peterson
Aspinall	Hall	Pilcher
Avery	Hansen	Pirnie
Barling	Harding	Poage
Barrett	Harris	Powell
Bass, N.H.	Harrison, Va.	Rains
Bates	Harvey, Ind.	Reifel
Becker	Harvey, Mich.	Reuss
Belcher	Hays	Rhodes, Pa.
Bell	Hebert	Riley
Bennett, Mich.	Hiestand	Roberts, Ala.
Berry	Hoeven	Rogers, Tex.
Blatnik	Hoffman, Ill.	Roosevelt
Blitch	Hoffman, Mich.	Rousselot
Boiling	Hollifield	Ryan, Mich.
Boykin	Inouye	Santangelo
Breeding	Johnson, Wis.	Saund
Bromwell	Jonas	Saylor
Brown	Jones, Mo.	Schadeberg
Buckley	Karth	Scherer
Burke, Ky.	Kee	Schwengel
Carey	Keogh	Scott
Celler	Kilburn	Scranton
Chlperfield	Klng, Utah	Seely-Brown
Clark	Kirwan	Selden
Coad	Kluczynskl	Sheppard
Cramer	Knox	Shipley
Curtin	Laird	Short
Daniels	Lesinski	Sikes
Denton	Loser	Siler
Derwinski	McDonough	Sisk
Diggs	McDowell	Spence
Dingell	McIntire	Staggers
Dominick	McSween	Sullivan
Dooley	Mack	Taylor
Dorn	Magnuson	Thompson, La.
Downlng	Martin, Mass.	Thompson, N.J.
Edmondson	Mason	Thornberry
Elliott	Meader	Ullman
Ellsworth	Michel	Van Pelt
Evins	Miller, Clem	Van Zandt
Farbstein	Miller.	Vinson
Fenton	George P.	Watts
Flndley	Milliken	Weis
Fogarty	Moore	Whalley
Frelinghuysen	Morrison	Williams
Garland	Moss	Yates
Gialmo	Gray	Zelenko
Goodling	Nedzl	
Green, Pa.	Nelscn	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Taylor against.  
Mr. Kilburn for, with Mr. Brown against.  
Mr. Arends for, with Mr. Thompson of Louisiana against.

Mr. Keogh for, with Mr. Laird against.  
Mr. Martin of Massachusetts for, with Mrs. Riley against.

Mr. Pirnie for, with Mr. Hoffman of Illinois against.

Mr. Peterson for, with Mr. Shipley against.  
Mr. Bates for, with Mr. McDonough against.  
Mr. Giaimo for, with Mr. Scott against.

Mr. George P. Miller for, with Mr. Berry of South Dakota against.

Mr. Holifield for, with Mr. Harrison of Virginia against.

Mr. Roosevelt for, with Mr. Rogers of Texas against.

Mr. Fenton for, with Mr. Mack against.

Mr. Morrison for, with Mr. Reifel against.

Mr. Loser for, with Mr. Hagan of Georgia against.

Mr. Milliken for, with Mr. Belcher against.

Mr. Sheppard for, with Mr. Baring against.

Mr. Kirwan for, with Mr. McSween against.

Mr. Bromwell for, with Mrs. Blitch against.

Mr. Celler for, with Mr. Dorn against.

Mr. Scranton for, with Mr. Hoeven against.

Mr. Daniels for, with Mr. Williams against.

Mr. Inouye for, with Mr. Cramer against.

Mr. Van Zandt for, with Mr. Alexander against.

Mr. Green of Pennsylvania for, with Mr. Garland against.

Mr. Bell for, with Mr. Schadeberg against.

Mr. Hays for, with Mr. Haley against.

Mr. Santangelo for, with Mr. Harvey of Indiana against.

Mrs. Sullivan for, with Mr. Hall against.

Mr. Aspinall for, with Mr. Van Pelt against.

Mr. Burke of Kentucky for, with Mr. Hoffmann of Michigan against.

Mr. Edmondson for, with Mr. Mason against.

Mr. Fogarty for, with Mr. O'Konski against.

Mr. Staggers for, with Mr. Scherer against.

Mr. Thompson of New Jersey for, with Mr. Siler against.

Mr. Ellsworth for, with Mr. Hiestand against.

Mr. Frelinghuysen for, with Mr. Sikes against.

Mr. Farbstein for, with Mr. Pilcher against.

Mr. Breeding for, with Mr. Moore against.

Mr. Ullman for, with Mr. Harris against.

Mr. Dingell for, with Mr. Grant against.

Mr. Ryan of Michigan for, with Mr. Short against.

Mr. Nelsen for, with Mr. Derwinski against.

Mr. Avery for, with Mr. Rousselot against.

Mr. Evans for, with Mr. McIntire against.

Mr. Denton for, with Mr. Michel against.

Mr. Meader for, with Mr. Becker against.

Mr. Rains for, with Mr. Knox against.

Until further notice:

Mr. Carey with Mr. Goodling.

Mr. Kluczynski with Mr. Harvey of Michigan.

Mr. Clem Miller with Mr. Griffin.

Mr. O'Brien of Illinois with Mr. Curtin of Pennsylvania.

Mr. Reuss with Mr. Findley.

Mr. Watts with Mr. Seely-Brown.

Mr. Anfuso with Mr. Chiperfield.

Mr. Powell with Mr. Jonas.

Mr. Barrett with Mr. Saylor.

Mr. Clark with Mr. Schwengel.

Mr. Roberts of Alabama with Mr. Bass of New Hampshire.

Mr. Blatnik with Mr. Dominick.

Mr. Nedzi with Mr. Dooley.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: On page 2, line 18, after "\$148,900,000" strike out all down to the word "paragraph" in line 21 and insert the following:

"Provided, That no part of any other appropriation contained in this Act, except funds appropriated under this Act for the contingency fund, may be used to augment funds or programs contained in this paragraph, and no funds shall be transferred from funds appropriated under any other paragraph of title I of this Act to the contingency fund for the purpose of augmenting funds or programs contained in this paragraph."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted, insert the following:

"Provided, That no part of any other appropriation contained in this Act, except funds appropriated under this Act for the contingency fund (not to exceed \$10,000,000), may be used to augment funds or programs contained in this paragraph and no funds shall be transferred from funds appropriated under any other paragraph of title I of this Act to the contingency fund for the purpose of augmenting funds or programs contained in this paragraph."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: On page 4, line 20, after "appropriated" insert "and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under 'Economic Assistance', are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: Provided, That such purpose relates to a project previously justified to Congress."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 18 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: "and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under 'Economic Assistance', are hereby continued available for the same period as the respective appropriations in

such subparagraphs for the same general purpose.

"Provided, That such purpose relates to a project previously justified to Congress and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects and no objection is entered by either committee within sixty days of such notification."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 19: On page 5, line 16, insert "memorandum of the President dated May 15, 1962."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate No. 19 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: On page 7, strike out all of section 107 and insert:

"Sec. 107. (a) None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or permits ships under its registry to deliver arms, ammunition, implements of war, or other goods, wares and merchandise to that regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose ships are used to transport any military or economic supplies to that regime.

"(b) None of the funds appropriated in this title shall be available for assistance to any country which permits vessels registered, enrolled, licensed, or otherwise documented under its laws to transport to Cuba, so long as it is governed by the Castro regime, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies contained on the list (known as the "positive list") maintained by the Secretary of Commerce of commodities with respect to which an export license is required under the Export Control Act of 1949.

"Sec. 107. (a) None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose ships are used to transport any military or economic supplies to that regime, unless the President determines that the withholding of such assistance to such country, or the nonpayment of such expenses of transportation, would be contrary to the national interest, and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives.

"(b) None of the funds appropriated in this title shall be available for assistance to any country which permits vessels registered, enrolled, licensed, or otherwise documented under its laws to transport to Cuba,

so long as it is governed by the Castro regime, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest, and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives.

"(c) Reports made pursuant to this section shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"SEC. 107.(a) No assistance shall be furnished to any country which sells, furnishes, or permits any ships under its registry to carry to Cuba, so long as it is governed by the Castro regime, under the Foreign Assistance Act of 1961, as amended, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

"(b) No economic assistance shall be furnished to any country which sells, furnishes, or permits any ships under its registry to carry items of economic assistance to Cuba so long as it is governed by the Castro regime, under the Foreign Assistance Act of 1961, as amended, unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives. Reports made pursuant to this subsection shall be published in the Federal Register within 7 days of submission to the committees and shall contain a statement by the President of the reasons for such determination."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: On page 10, strike out all of section 109 and insert:

"SEC. 109. No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended (except section 214(b)) to any Communist country. This restriction may

not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the International Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism. Reports made pursuant to this section shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons in detail for such findings. For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries:

"Peoples Republic of Albania,  
"Peoples Republic of Bulgaria,  
"Peoples Republic of China,  
"Czechoslovakia Socialist Republic.  
"German Democratic Republic (East Germany),  
"Estonia,  
"Hungarian Peoples Republic,  
"Latvia,  
"Lithuania,  
"North Korean Peoples Republic,  
"North Vietnam,  
"Outer Mongolia-Mongolian Peoples Republic,  
"Polish Peoples Republic,  
"Rumanian Peoples Republic,  
"Tibet,  
"Federal Peoples Republic of Yugoslavia,  
"Cuba, and  
"Union of Soviet Socialist Republics."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"SEC. 109. (a) No assistance shall be furnished to any nation, whose government is based upon that theory of government known as Communism under the Foreign Assistance Act of 1961, as amended, for any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

"(b) No economic assistance shall be furnished to any nation whose government is based upon that theory of government known as Communism under the Foreign Assistance Act of 1961, as amended (except section 214(b)), unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement

by the President of the reasons for such determination."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23, page 12, line 5, insert: "for procurement to which the United States is a party".

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24, page 12, line 21, strike "selected" and insert "approved".

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "approved the terms of the contracts and".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 13, line 10, insert:

"SEC. 115. Foreign currencies not to exceed \$200,000, made available for loans pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred incident to such loans."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

#### GENERAL LEAVE TO EXTEND

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include tabular material relating to the conference report and the bill just adopted at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. The following table summarizes the congressional action on the foreign aid bill:

## Summary of foreign aid appropriation bill, 1963 (H.R. 13175)

Item	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
<b>Title I—Foreign aid (mutual security):</b>							
Development grants.....	\$335,000,000	\$225,000,000	\$275,000,000	\$225,000,000	-\$110,000,000		-\$50,000,000
American hospitals abroad.....	2,800,000	2,800,000	2,800,000	2,800,000			
Investment guarantees.....	180,000,000	30,000,000	100,000,000	30,000,000	-150,000,000		-70,000,000
Surveys of investment opportunities.....	5,000,000		1,000,000		-5,000,000		-1,000,000
International organization.....	148,900,000	148,900,000	148,900,000	148,900,000			
Supporting assistance.....	481,500,000	350,000,000	400,000,000	395,000,000	-86,500,000	+\$45,000,000	-5,000,000
Contingency fund.....	400,000,000	225,000,000	290,000,000	250,000,000	-150,000,000	+\$25,000,000	-40,000,000
Alliance for Progress.....	600,000,000	525,000,000	575,000,000	525,000,000	-75,000,000		-50,000,000
Development loans.....	1,250,000,000	775,000,000	1,125,000,000	975,000,000	-275,000,000	+\$200,000,000	-150,000,000
Administrative expenses (AID).....	55,000,000	46,000,000	52,000,000	49,500,000	-5,500,000	+\$3,500,000	-2,500,000
Administrative expenses (State).....	3,100,000	2,700,000	3,100,000	2,700,000	-400,000		-400,000
Subtotal, economic assistance.....	3,461,300,000	2,330,400,000	2,972,800,000	2,603,900,000	-857,400,000	+\$273,500,000	-368,900,000
Military assistance.....	1,500,000,000	1,300,000,000	1,450,000,000	1,325,000,000	-195,000,000	+\$25,000,000	-125,000,000
Total, title I.....	4,961,300,000	3,630,400,000	4,422,800,000	3,928,900,000	-1,032,400,000	+\$298,500,000	-493,900,000
<b>Title II—Foreign aid (other):</b>							
Peace Corps.....	63,750,000	52,000,000	63,750,000	59,000,000	-4,750,000	+\$7,000,000	-4,750,000
Ryukyu Islands.....	14,282,000	7,900,000	12,000,000	8,900,000	-5,382,000	+\$1,000,000	-3,100,000
Assistance to refugees in the United States (Cuban).....	70,110,000	55,000,000	70,110,000	70,110,000		+\$15,110,000	
Migration and refugee assistance.....	21,977,000	14,447,000	16,677,000	14,947,000	-7,030,000	+\$500,000	-1,730,000
Investment in Inter-American Bank.....	60,000,000	60,000,000	60,000,000	60,000,000			
Subscription to International Development Association.....	61,656,000	61,656,000	61,656,000	61,656,000			
Total, title II.....	291,775,000	251,003,000	284,193,000	274,613,000	-17,162,000	+\$23,610,000	-9,580,000
<b>Title III—International Monetary Fund:</b>							
Loans to the International Monetary Fund.....	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000			
<b>Title IV—Export-Import Bank:</b>							
Limitation on operating expenses.....	(1,295,000,000)	(1,295,000,000)	(1,295,000,000)	(1,295,000,000)			
Limitation on administrative expenses.....	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)			
Total, title IV.....	(1,298,000,000)	(1,298,000,000)	(1,298,000,000)	(1,298,000,000)			
<b>Title V—Miscellaneous agencies, Foreign Claims Settlement Commission:</b>							
Payment of Philippine claims.....	73,000,000	73,000,000	73,000,000	73,000,000			
Salaries and expenses (U.S. Information Agency).....	560,000	(1)	560,000		-560,000		-560,000
Acquisition of radio facilities (Department of State).....	7,375,000	1,600,000	849,000	849,000	-5,775,000		+1,600,000
International conferences.....	1,019,000	849,000	849,000	849,000	-170,000		
Total, title V.....	81,954,000	75,449,000	74,409,000	75,449,000	-6,505,000		+1,040,000
Grand total, all titles.....	7,335,029,000	5,956,852,000	6,781,402,000	6,278,962,000	-1,056,067,000	+\$322,110,000	-502,440,000

<sup>1</sup> \$500,000 included in "Payment of Philippine claims."

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members have 5 days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

#### G. W. TODD AND ESTATE OF LLOYD PARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill S. 2451, for the relief of G. W. Todd and the estate of Lloyd Parks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (1) G. W. Todd, the sum of \$8,120, and (2) the estate of Lloyd Parks, the sum of \$8,120. The payment of such sums shall be in full satisfaction of all claims of G. W. Todd and Lloyd Parks (deceased) against the United States for the loss of their exclusive right of pound-net fishing off the western shore of Cedar Point, Maryland, as a result of certain regulations issued by the Secretary of War in 1943 establishing restricted and prohibited areas for military purposes arising*

out of the activities of the Patuxent Naval Air Station.

(b) The total sum appropriated by this Act is the amount found by the Court of Claims, acting pursuant to Senate Resolution 309, Eighty-third Congress, second session, to be equitably due the said G. W. Todd and Lloyd Parks as a result of the action of the Secretary of War referred to in subsection (a) of this section.

Sec. 2. No part of the amount appropriated in this Act in excess of 25 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

#### MAJOR C. TODD, JR., AND ESTATE OF IRA T. TODD, SR.

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2450) for the relief of Major C. Todd, Jr., and the estate of Ira T. Todd, Sr.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (1) Major C. Todd, Junior, the sum of \$11,620, and (2) the estate of Ira T. Todd, Senior, the sum of \$11,620. The payment of such sums shall be in full satisfaction of all claims of Major C. Todd, Junior, and Ira T. Todd, Senior (deceased), against the United States for the loss of their exclusive right of pound-net fishing off the western shore of Cedar Point, Maryland, as a result of certain regulations issued by the Secretary of War in 1943 establishing restricted and prohibited areas for military purposes arising out of the activities of the Patuxent Naval Air Station.*

(b) The total sum appropriated by this Act is the amount found by the Court of Claims, acting pursuant to Senate Resolution 308, Eighty-third Congress, Second Session, to be equitably due the said Major C. Todd, Junior, and Ira T. Todd, Senior, as a result of the action of the Secretary of War referred to in subsection (a) of this section.

Sec. 2. No part of the amount appropriated in this Act in excess of 25 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

**TAX-EXEMPT STATUS OF PENSION PLAN**

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2953) relating to the tax-exempt status of the pension plan of Local Union No. 435 of the International Hod Carriers' Building and Common Laborers' Union of America.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, this bill is limited strictly to the subject matter; that is, there are no extraneous amendments or material in this bill?

Mr. LANE. That is correct; and it has the approval of the Treasury.

There being no objection, the Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the pension plan of Local Union Numbered 435 of the International Hod Carriers' Building and Common Laborers' Union of America, which was negotiated to take effect May 1, 1960, pursuant to an agreement between such union and the Building Trades Employers Association of Rochester, New York, Incorporated, and which has been held by the Internal Revenue Service to constitute a qualified trust under section 401(a) of the Internal Revenue Code of 1954, and to be exempt from taxation under section 501 (a) of such Code, shall be held and considered to have been a qualified trust under such section 401(a), and to have been exempt from taxation under such section 501 (a), for the period beginning May 1, 1960, and ending April 20, 1961, but only if it is shown to the satisfaction of the Secretary of the Treasury or his delegate that the trust has not in this period been operated in a manner which would jeopardize the interests of its beneficiaries.*

The bill was ordered to be read a third time, read the third time, and passed, and a motion to reconsider was laid on the table.

**LT. COL. WILLIAM A. CARTER**

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3394) for the relief of Lt. Col. William A. Carter, U.S. Air Force.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That William A. Carter, lieutenant colonel, United States Air Force (3019A), is relieved of all liability for repayment to the United States of the sum of \$2,793.21, representing the amount of overpayments of basic pay received by him for the period from June 23, 1942, through August 29, 1961, while he was serving as a member of the United States Army and the United States Air Force, such overpayment having been made as a result of administrative error.*

Sec. 2. The Comptroller General of the United States or his designee shall relieve disbursing officers, including special disbursing agents, of the Army, Navy, and Air Force from accountability or responsibility for any payments described in section 1 of

this Act, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

Sec. 3. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said William A. Carter, the sum of any amounts received or withheld from him on account of the overpayments referred to in section 1 of this Act.

The bill was ordered to be read a third time, read the third time, and passed, and a motion to reconsider was laid on the table.

**ENTRY OF CERTAIN PERSONS INTO THE UNITED STATES**

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3361) to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Reserving the right to object, Mr. Speaker, may we have an explanation of what this bill proposes?

Mr. WALTER. The amendments that were put in the Senate bill in the House provided for the naming of a person occupying the position of head of a Bureau of Consular Affairs to be designated as an Assistant Secretary of State. The Senate would not accept this proposal because they said it was in effect creating an additional Secretary of State. That is not the fact.

The second objection was the date we set in the bill for the adjustment of the status of civilians illegally in the United States. The Senate bill provided the date of December 1952, and our bill was 1940. The amendment moved it back to 1940.

Mr. GROSS. Do I understand that the amendment with respect to the naming of an individual as an Assistant Secretary of State is out of the bill or in the bill?

Mr. WALTER. No; it is in the bill. That is the principal item on which we are going to conference.

Mr. GROSS. Why confer the title of Assistant Secretary of State upon this individual? The office has been operated in the past with an individual who has had the compensation of an Assistant Secretary of State.

Mr. WALTER. May I read the language of the act creating this position, section 104(b) of the existing Walter-McCarren Act:

There is hereby established in the Department of State a Bureau of Security and Consular Affairs, to be headed by an administrator (with an appropriate title to be designated by the Secretary of State), with rank and compensation equal to that of an Assistant Secretary of State.

All this amendment we proposed did was to say "to be headed by an administrator—with the title of Assistant Secretary of State—with rank and compen-

sation" and so on. So that actually we are merely supplying the title for an officer who is now performing the duties of an Assistant Secretary of State.

Mr. GROSS. Does this in any way increase the emoluments of this office?

Mr. WALTER. No, it does not increase the compensation. The only thing that the amendment does is give him a title. It does not provide for another Assistant Secretary of State.

Mr. GROSS. It does not increase the compensation or other costs in any way?

Mr. WALTER. No.

Mr. GROSS. Will this by any chance provide him with a Cadillac, a Chrysler Imperial or a Lincoln Continental and driver at taxpayer expense?

Mr. WALTER. No, it will not.

Mr. GROSS. There is another bill or two lurking around here to create more Assistant Secretaries of State. From what I have been able to learn, there is more than an adequate number of them now in the State Department. I can see no objection to this bill because the gentleman says it will not increase the cost or compensation, it will not change the duties, it only confers a title on him. This being true, I have no objection to it. But I do have objection to granting more of them by unanimous consent on the House floor.

I serve notice now, I intend to stop these bills. They are not going to get through under unanimous consent at this stage of the session.

Mr. WALTER. I am sure the gentleman knows I would not attempt to do any such thing.

Mr. GROSS. I thank the gentleman for his explanation.

Mr. MACDONALD. Mr. Speaker, I wish to associate myself with the distinguished gentleman from Pennsylvania, who is chairman of the Immigration and Nationality Committee, in support of S. 3361. This bill facilitates the entry into the United States of skilled specialists and certain relatives of U.S. citizens.

The Immigration and Naturalization Act of 1952 is filled with harsh regulations with no concern that the law deals with people's lives rather than merely laws and regulations. I am personally aware of the hardships that the act has caused on a large number of naturalized American citizens in my congressional district who have found it impossible to bring into this country other members of their families. This new remedy will allow entry of approximately 25,000 persons and will aid those citizens who have relatives in Italy, Portugal and Greece.

I will continue my efforts to bring about a more complete revision of the discriminatory provisions of the McCarran-Walter Act of 1952. Our prestige abroad could be greatly enhanced if this law were liberalized for all nations to see that America welcomes on an equitable basis people from all lands who have shown a keen desire to seek an opportunity for security and well being in our country.

Mr. POFF. Mr. Speaker, reserving the right to object, may I ask the distinguished gentleman from Pennsylvania if he can advise the House whether or not the amendment adopted





# ~~Digest of~~ CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued Oct. 9, 1962  
For actions of Oct. 8, 1962  
87th-2d, No. 184

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~~HIGHLIGHTS; Sen. Mundt criticized farm program. Sen. Proxmire opposed mandatory controls on feed grains. Sen. Russell defended his position in USDA appropriation bill controversy. Senate agreed to conference report on foreign aid appropriation bill. Sen. Smathers objected to immediate consideration of supplemental appropriation bill. House received conference report on State-Justice-Commerce appropriation bill. Rep. Saylor criticized speech by general manager of National Rural Electric Cooperation Association.~~

## HOUSE

1. STATE-JUSTICE-COMMERCE APPROPRIATION BILL, 1963. Received the conference report on this bill; H. R. 12580 (H. Rept. 2546)(pp. 21590-2). This bill includes \$115,480,000 for the Area Redevelopment Administration, and \$3,695,000 for export control.
  2. PERSONNEL. Several Representatives criticized difficulty in obtaining information from the executive agencies with regard to summer employment, and Rep. Beckworth inserted a table showing the summer employment in this Department in detail. pp. 21607-24
  3. ELECTRIFICATION. Rep. Saylor criticized speech by the general manager of the National Rural Electric Cooperative Association and criticized the inclusion of certain projects in the omnibus rivers, harbors, and flood control bill. pp. 21599-601

4. MINING. Received the conference report on S. 3451, to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed (H. Rept. 2545). pp. 21589-90, 21628
5. MONOPOLIES. Rep. Pfost urged enactment of the proposed Quality Stabilization Act before adjournment. pp. 21624-5
6. LEGISLATIVE ACCOMPLISHMENTS. Several Representatives reviewed the legislative accomplishments of this session of Congress. pp. 21604-7, 21626-8

SENATE

7. FARM PROGRAM. Sen. Mundt criticized the Administration's farm program, stating that "The farmers should know that in 1964 they face catastrophic consequences as a result of the 1962 Farm Act with its program of flexible, falling farm supports which far out-Benson Ezra Benson," and inserted a New York Times story to support his position. pp. 21556-7  
Sen. Proxmire referred to the Times story, expressed his opposition to mandatory controls of feed grains, and stated that "if a mandatory controls program were adopted by Congress, farmers will very likely vote them down at least the first year or two." pp. 21564-5
8. AGRICULTURAL APPROPRIATION BILL, 1963. Sen. Russell defended his position in the controversy over this bill, stated that there has been persistent misrepresentation of the issues involved, that the "issue is whether the Senate has a right to amend an appropriation bill in any and every respect," and inserted his correspondence with Secretary Freeman in support of the establishment of a peanut research laboratory in Ga. Sen. Keating commended Sen. Russell's statement. pp. 21550-1
9. SUPPLEMENTAL APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 13290 (S. Rept. 2285). Sen. Smathers invoked the Senate rule requiring that the appropriation bill lie on the table for three days after being reported. The Chair stated that the bill could not be considered before next Fri. (pp. 21524-5). Attached to this Digest is a summary of items for this Department.
10. FOREIGN AID APPROPRIATION BILL, 1963. Agreed to the conference report on this bill, H. R. 13175, and acted on amendments in disagreement (pp. 21548-56, 21572-5). This bill will now be sent to the President. As agreed to the bill includes \$225,000,000 for development grants, \$975,000,000 for development loans, \$30,000,000 for investment guaranties, \$425,000,000 for the Alliance for Progress with Latin America, \$59,000,000 for the Peace Corps, \$2,000,000 for the International Monetary Fund, and \$1,295,000,000 for the Export-Import Bank of Washington.
11. TRANSPORTATION. Agreed to the conference report on H. R. 5700, to permit the Secretary of the Treasury to designate any contract carrier, authorized to act as such by an agency of the U. S., as a carrier of bonded merchandise for the final release of which from customs custody a permit has not been issued. pp. 21561-2  
Received from the Commerce Committee its report, "Implementation of the Cargo Preference Laws by the Administrative Departments and Agencies" (S. Rept. 2286). p. 21525
12. ECONOMICS. Sen. Proxmire inserted an article by Federal Reserve Board member George Mitchell, "Count Monetary Policy in the Past 6 Months Have Made a Greater Contribution to Our Overall Economic Well-Being?" pp. 21526-8

and the Vice President. However, in the case of the Vice President, the Secret Service is authorized to provide protection only upon the request of that official. This legislation would eliminate the requirement that the Vice President request Secret Service protection as a condition precedent to the Secret Service providing it. In addition, the bill authorizes the Secret Service to provide protection to the Vice-President-elect.

This legislation would also authorize the Secret Service to provide protection to a former President at his request for a reasonable period after he leaves office. In testimony before a subcommittee of the House Committee on the Judiciary, Mr. U. E. Baughman, then Chief of the Secret Service, stated that he contemplated this would require a detail of five or six agents for a period of 6 months after the President leaves office. This Secret Service protection would be provided only upon the request of the former President.

The committee is of the view that protection of the former President under this legislation is to be limited to the protection of the person of the former President and not of his property.

The Assistant Secretary of the Treasury, Mr. A. Gilmore Flues, stated in a letter to the chairman of the House Judiciary Committee, under date of May 15, 1961, that the cost of this legislation is limited to the expense of providing a full-time detail for the protection of the Vice President. Mr. Flues estimated that this would cost \$100,864.28 each year. Testimony before a subcommittee of the House Committee on the Judiciary also indicated that the Secret Service would not seek additional funds in order to perform the duties imposed upon it under this legislation in relation to the past President and a Vice President-elect. It was stated in that hearing that this cost would be absorbed in the normal Secret Service budget.

This legislation was recommended by the President of the United States, in identical letters to the Speaker of the House of Representatives and the President of the Senate. The committee is in complete agreement with the President of the United States that these gaps in the present law should be closed, and accordingly, recommends favorable consideration of H.R. 6691, without amendment.

**The PRESIDING OFFICER.** The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

**Mr. MANSFIELD.** Mr. President, I move to reconsider the vote by which H.R. 6691 was passed.

**Mr. KUCHEL.** Mr. President, I move to lay that motion on the table.

**The PRESIDING OFFICER.** The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

#### ENABLING ACT OF THE STATE OF ARIZONA

**Mr. MANSFIELD.** Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1980, Senate bill 3283.

**The PRESIDING OFFICER.** The bill will be stated by title.

**The LEGISLATIVE CLERK.** A bill (S. 3283) to amend the Enabling Act of the State of Arizona for the purpose of facilitating the sale or lease of certain

lands granted to such State to local governments for use of public purposes.

**The PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments on page 1, line 9, after "1910", to strike out "(36 Stat. 557)" and insert "(36 Stat. 557, 574-575)"; on page 2, line 5, after the word "confirmed", to insert "or any natural products thereof"; in line 10, after the word "advertising", to strike out "or competitive bidding"; in line 14, after the word "made.", to insert "The term 'public purposes' as used in this paragraph shall not include industrial park sites or other commercial purposes.); and after line 16, to insert a new section, as follows:

SEC. 2. Consent is hereby given to the State of Arizona to adopt any amendment to the constitution of the State or to enact any laws necessary to carry out the purposes hereof.

So as to make the bill read:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 28 of the Act entitled "An Act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States", approved June 20, 1910 (36 Stat. 557, 574-575), as amended, is amended by adding at the end thereof a new paragraph as follows:*

"Nothing contained in this section shall prevent the transfer by sale or lease by the State of Arizona of any lands hereby granted or confirmed or any natural products thereof to any agency of the State or to any county, city, or other local government or agency thereof, created by or pursuant to the laws of such State, for use for public purposes, without regard to the provisions of this section or other provisions of law requiring appraisal, advertising, or relating to the price at which such lands may be sold or leased, if such sale or lease is conditioned upon the continued use of the lands for the purpose for which the transfer is made. The term 'public purposes' as used in this paragraph shall not include industrial park sites or other commercial purposes."

SEC. 2. Consent is hereby given to the State of Arizona to adopt any amendment to the constitution of the State or to enact any laws necessary to carry out the purposes hereof.

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent that the amendments be considered en bloc.

**The PRESIDING OFFICER.** Is there objection?

There being no objection, the amendments were considered and agreed to en bloc.

**The PRESIDING OFFICER.** The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### AMENDMENT OF THE POLICEMEN AND FIREMEN'S RETIREMENT AND DISABILITY ACT

**Mr. MANSFIELD.** Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2233, H.R. 6836.

**The PRESIDING OFFICER.** The bill will be stated by title.

**The LEGISLATIVE CLERK.** A bill (H.R. 6836) to amend the Policemen and Firemen's Retirement and Disability Act.

**The PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill.

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2271), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Committee on the District of Columbia, to whom was referred the bill (H.R. 6836) to amend the Policemen and Firemen's Retirement and Disability Act, after full consideration report thereon without amendment and recommend that the bill do pass.

The purpose of this bill is to amend existing law so as to create an additional category of service-connected disability which will enable policemen and firemen to retire if an injury or disease contracted other than exclusively in the performance of duty is so aggravated by the performance of duty as to disable the member from further duty.

A member retiring under this proposed legislation will receive the same annuity as if there was no doubt of the disability having resulted exclusively in the performance of duty. Such legislation is comparable to and in keeping with industrial compensation procedures.

The Fiscal Affairs Subcommittee of this committee held a hearing on H.R. 6836 on August 1, 1962, and received favorable testimony from representatives of the Board of Commissioners of the District of Columbia, the Fire Department, and the Police Department, as well as representatives of the Firemen's Association, and the Policemen's Association. At this time the subcommittee was informed that during the calendar years 1958, 1959, and 1960, the Policemen and Firemen's Retirement and Relief Board cleared 379 retirement cases, of which 292 were retirements for disability incurred in performance of duty, 23 were retirements for disability incurred not in the performance of duty, and 64 were optional retirements for age and service. Based on the experience over the preceding 3 years, it is anticipated that the future costs of this legislation will be minor.

**The PRESIDING OFFICER.** The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

#### 1ST LT. CHARLES M. COX, U.S. ARMY (RETIRED)

**Mr. MANSFIELD.** Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2244, Senate bill 1961.

**THE PRESIDING OFFICER.** The bill will be stated by title.

**THE LEGISLATIVE CLERK.** A bill (S. 1961) for the relief of 1st Lt. Charles M. Cox, U.S. Army (retired).

**THE PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill.

**THE PRESIDING OFFICER.** The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That First Lieutenant Charles M. Cox, United States Army (retired), of Buxton, Oregon, is hereby relieved of all liability for repayment to the United States of the sum of \$6,800.58, representing the amount of overpayments of longevity pay received by him for the period from June 1, 1942, through March 13, 1960, while the said Lieutenant Charles M. Cox was serving as a member of the United States Army, such overpayments having been made as a result of his being erroneously credited, for pay purposes, with service performed in the organized militia of the State of New York.*

**SEC. 2.** The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said First Lieutenant Charles M. Cox, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963—CONFERENCE REPORT

**MR. HAYDEN.** Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13175) making appropriations for the foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes. I ask unanimous consent for the present consideration of the report.

**THE PRESIDING OFFICER.** The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of October 5, 1962, p. 21459, CONGRESSIONAL RECORD.)

**THE PRESIDING OFFICER.** Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

**THE PRESIDING OFFICER.** The question is on agreeing to the conference report.

**MR. MORSE.** Mr. President, I wish to make a brief statement on the report.

I voted against the foreign-aid authorization bill when it was before the Senate because, in my judgment, it involved the waste of hundreds of millions of dollars. I argued then that we ought to try to change the ratio of loans to grants from the ratio provided in the bill of 65 cents out of every foreign dollar being

grant money or giveaway money and only 35 cents out of every foreign aid dollar repayable loan money. I pointed out that 4 years ago I started the struggle in the Foreign Relations Committee to change that ratio. At that time the grant money in the foreign-aid bill was a little more than 90 cents out of every dollar. We made some progress in 4 years, but in my judgment, not enough. I pointed out also that there was a great deal of waste, as far as the American taxpayers were concerned, in a good many of the military items in the bill. We are paying an all-out-of-proportion share of the military cost of supporting freedom around the world. We are paying most of the cost in the South Vietnam defense of freedom. For years we have paid all the cost of Laos.

We are making heavy military contributions to such Asian countries as Thailand and Formosa. I asked the rhetorical question, After all, where is England? Where are Australia, New Zealand, the Philippines, Portugal, France, Italy, the Lowlands, Norway, and West Germany? Where are our allies? In view of the economic recovery of most of them, greatly aided by American taxpayer dollars, how long do they expect us to continue to pay an all-out-of-proportion share of the military costs for the defense of freedom around the world?

I made some comments, as the RECORD will show, about the great contribution we have made to NATO, the heavy expenditures that the American taxpayers have made to the NATO countries.

For the most part, these countries are now in a stronger economic position than they were prior to World War II. I now ask, as I asked then, how long do we expect the American taxpayers to assume this terrific cost, this pouring out of the hundreds of millions of dollars, without the savings to which the American people are entitled?

For years now, as chairman of the Subcommittee on Latin-American Affairs, I have protested the heavy expenditures for military equipment in Latin America. In a very real sense much has been contributed to them so that they could keep up with the Joneses, so to speak, for we know that much of the military equipment that we made available to Latin-American countries will not really be of any value to us in case of conflict with Russia. To the contrary, Latin-American countries will have to look to us for their protection, because such military equipment as we have made available to them for the most part is of no value to them in a nuclear war, for if we get into a war with Russia, it will not be a conventional war, but a nuclear war.

So I have raised such questions as: What justification is there for this military aid to Latin America? Is military aid strengthening freedom in Latin America? Will it increase democracy in Latin America, or is it true, as has frequently been the case, it is used to strengthen totalitarian regimes, and playing right into the hands of Communist propaganda in Latin America? I fear that the latter is the truth.

Much of the military aid to Latin America has not strengthened democ-

racy. It has had the inverse effect of strengthening communism in Latin America.

I see on the floor the chairman of the Armed Services Committee, the Senator from Georgia [Mr. RUSSELL], nodding his head in approval. He knows of what I speak.

Much of our expenditures in Latin America for military aid in recent years not only have not strengthened democracy, but have had the inverse effect of strengthening communism.

Too frequently our military equipment has been used in Latin America to keep down freedom rather than strengthening freedom. Too frequently our military aid in Latin America has been used to build up totalitarian regimes such as Batista's in Cuba. The Senate will recall that in January 1958 my subcommittee held hearings on military aid to Batista. We brought out in those hearings that Batista could not remain in power in Cuba were it not for American military aid. That was admitted by the Assistant Secretary for Latin American Affairs of the State Department under my cross-examination. I say to the everlasting credit of the State Department that by the middle of March 1958 the State Department announced that no further military aid would go to Batista.

It is only now becoming public knowledge that aid was made available to Castro. I was one of those who hoped and believed at the beginning that Castro might bring Cuba a democratic régime. However, we soon discovered that he would not do that. I have an obligation to make clear to the American people what I believed to be the facts about Castro. I was the first, for a considerable time, in the Senate to speak out against the Castro regime. When he started with his blood baths, and when he placed under house arrest that first great President of Cuba under the Castro regime, President Urrutia, one of the great judges of Cuba, because he insisted upon the application of democratic procedures protecting the rights of Cuba, I knew we were seeing the substitution of one totalitarian for another, and that we would see the replacing of a Fascist totalitarian with a Communist totalitarian.

I shall always be proud of the fact that the RECORD shows that I was the first in the Senate to point out that in my opinion Castro was following the Commie line. In my first speech on this issue I said, "I do not know whether he is a Communist, but it does not make any difference, because the procedures he is following are Communist procedures."

We have much to answer for when the scholars, long after we have disappeared from the face of this earth, write the history of America's conduct in respect to expenditures for military arms in Latin America. So much of our expenditures in Latin America were used to play into the hands of totalitarian regimes.

So again this year I protested, as did the Senator from Alaska [Mr. GRUENING], who made one of the scholarly speeches of this session of Congress when he presented his speech on the floor giv-

ing an analysis of American military aid over the years to Latin America, and deplored it, as I have long deplored.

I opposed the final authorization bill for foreign aid. I opposed the appropriation bill for foreign aid. I felt that at least in the Senate we should have eliminated a good many millions of dollars of waste in the appropriation bill. That we did not do. We ought to have tackled more forthrightly than we did the problem of loans versus grants.

I did not cast a popular vote when I voted against foreign aid. If anyone thinks I did, let him come to my office and read the mail that I have received on this subject. However, I cast a vote that I believe is right. Time will prove me right, because we cannot justify the waste that we have been guilty of in the foreign-aid bill.

The Senator from Louisiana [Mr. ELLENDER] was very persuasive. The RECORD shows that I voted for amendment after amendment that the Senator from Louisiana offered. He brought out the millions of dollars in the pipeline with regard to military expenditures. He pointed out that we could have cut, much more drastically than the conference report cuts, the appropriations for military expenditures and still not weaken the security of the United States, but possibly teach our allies that the time has come for them to assume a greater obligation than they have thus far assumed.

There is no doubt that the conference report is a great improvement over the appropriation bill the Senate passed.

Mr. President, these savings are gratifying. However, in my judgment it is no longer a question of the dollar sign in the foreign aid bill. It is not a question of whether X money or Y money is saved. The problem about the foreign aid program is a matter of structure of the foreign aid bill, from the standpoint of the foreign policy involved in it. It has many weaknesses from the standpoint of its structures.

It has many weaknesses with respect to the question of loans versus grants. It has still many weaknesses with respect to the public policy as it affects the supply of military assistance to various totalitarian regimes throughout the world. It is an unsound public policy; and so far as the senior Senator from Oregon is concerned, the question as to whether the amount shall be X dollars or Y dollars for the support of a bad public policy is immaterial. We should come to grips with the question of the public policy which is involved.

The bill still contains glaring weaknesses with respect to the whole economic aid program as it affects public policy. Are we providing economic aid in the right places; and as a result of not providing aid in the right places, are we not still wasting millions of the taxpayers' dollars? I believe we are. Although as a member of the Committee on Foreign Relations I favor good foreign aid programs, the bill, in my judgment, does not provide for the American people a good foreign aid program.

We must come to grips with the bad policies in the whole foreign aid pro-

gram. If the bad policies in the foreign aid program are corrected, we shall have very little trouble in reaching agreement as to the amounts.

Because the bill is an appropriation bill and not a legislative bill, and deals with policy questions and continues to perpetuate an unsound foreign aid policy, I desire the RECORD to show that I also oppose the conference report.

The PRESIDING OFFICER. Without objection, the conference report is agreed to.

Mr. LAUSCHE subsequently said: Mr. President, when the foreign-aid bill was before the Senate, I made a statement setting forth my reasons for not being able to concur in what was recommended. This afternoon we have before us the appropriation bill adopted pursuant to that authorization. I do not concur in the action taken by the Senate in approving the conference report. The conference report, in a measure, improves the original bill, but not adequately to require my support of the measure. I want the record to show that I do not approve of what was done.

The PRESIDING OFFICER (Mr. METCALF in the chair) laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 13175, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,

October 8, 1962.

*Resolved*, That the House recede from its disagreement to the amendments of the Senate numbered 19, 23, and 26 to the bill (H.R. 13175) entitled "An act making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes," and concur therein.

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 4, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted, insert the following:

"Provided, That no part of any other appropriation contained in this Act, except funds appropriated under this Act for the contingency fund (not to exceed \$10,000,000), may be used to augment funds or programs contained in this paragraph and no funds shall be transferred from funds appropriated under any other paragraph of title I of this Act to the contingency fund for the purpose of augmenting funds or programs contained in this paragraph."

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 18, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendments, insert the following: "and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under 'Economic Assistance', are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided*, That such purpose relates to a project previously justified to Congress and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects and no objection is entered by either Committee within 60 days of such notification."

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 20, and concur therein with an amendment, as follows:

In lieu of the matter stricken out and inserted by said amendment, insert the following:

"SEC. 107. (a) No assistance shall be furnished to any country which sells, furnishes, or permits any ships under its registry to carry to Cuba, so long as it is governed by the Castro regime, under the Foreign Assistance Act of 1961, as amended, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

"(b) No economic assistance shall be furnished to any country which sells, furnishes, or permits any ships under its registry to carry items of economic assistance to Cuba so long as it is governed by the Castro regime, under the Foreign Assistance Act of 1961, as amended, unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination."

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 22, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"SEC. 109. (a) No assistance shall be furnished to any nation whose government is based upon that theory of government known as Communism under the Foreign Assistance Act of 1961, as amended, for any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

"(b) No economic assistance shall be furnished to any nation whose government is based upon that theory of government known as Communism under the Foreign Assistance Act of 1961, as amended (except section 215(b)), unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination."

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 24, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "approved the terms of the contracts and".

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amend-

ments of the Senate numbered 4, 18, 20, 22, and 24.

**THE PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Arizona.

#### DEPARTMENT OF AGRICULTURE APPROPRIATIONS, 1963

**MR. RUSSELL.** Mr. President, I do not desire to discuss the motion of the Senator from Arizona. I wish to speak concerning another subject.

As a general rule, I have never deemed it proper for a member of a conference committee representing either body of Congress to discuss matters which are still in the hands of the conference committee for settlement. However, there has been so much persistent misrepresentation of the issues which are involved in the agricultural appropriation bill that in justice to myself, and also the Senate position, I feel I must make a brief statement to refute a consistently repeated falsehood that I have been holding up action on the agricultural appropriation bill in order to pressure—that is the word that one radio commentator used; I think another one used the word "coerce"—to pressure or coerce the other body into accepting an item which was in the bill as it was presented to Congress by the Bureau of the Budget.

I refer to the item providing for a peanut marketing research laboratory to be located in my State. I do not disavow a consuming interest in that item. I was more interested in it than I was in any other item in the appropriation bill. I regretted very much to see it convicted and hanged on the floor of the House of Representatives on the basis of false testimony that was presented to that body concerning the nature of the proposed laboratory.

Eminent Members of the House held forth at length to the effect that it was a utilization research laboratory. If this had been true it would take work away from existing laboratories in Virginia, Louisiana, and other areas. As a result of that misrepresentation, the House, by a yea-and-nay vote, killed the item.

I wrote to the Secretary of Agriculture, asking him to write me a letter stating whether or not the statement that the project was to be a utilization laboratory was true. He replied, and I had that letter printed in the RECORD. In order to preserve the continuity of my statement, I ask unanimous consent that the correspondence again be printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

SEPTEMBER 20, 1962.

HON. ORVILLE FREEMAN,  
The Secretary of Agriculture,  
Department of Agriculture,  
Washington, D.C.

DEAR MR. SECRETARY: I am writing to you in regard to the marketing research facility proposed in the budget estimates for 1963, to be located at Dawson, Ga.

In reviewing the Department's justification for this facility in the House hearings on page 1264, it briefly describes the purpose of research investigations to be conducted at this facility as dealing with the quality

control requirements of peanuts in marketing and storage channels.

When this matter was under consideration in the House on September 18, the statement was made by Members opposed to the construction of the facility that it was being established as a utilization laboratory to develop uses of peanuts rather than for peanut quality research. Heretofore, it has been my understanding that research investigations for new uses on peanuts and peanut products are conducted at the Regional Utilization Laboratory at New Orleans, La.

I will appreciate it if you will clarify this entire matter, together with the extent of present utilization research and where it is done.

Sincerely,

RICHARD B. RUSSELL.

SEPTEMBER 24, 1962.

HON. RICHARD B. RUSSELL,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR RUSSELL: Thank you for your letter of September 20, 1962, in which you refer to statements made in the House that the program proposed for the Dawson Laboratory would be utilization research. The Department is pleased to state that you are correct in your understanding that the type of research to be done at the Dawson Laboratory is marketing research and not utilization research.

As you stated, the broad segments of the marketing research program contemplated for the laboratory, which was developed in consultation with a peanut industry working group and presented to your subcommittee by Mr. Pace, is described and justified by the Department in the House hearings on page 1264. Briefly, a major emphasis of the program would be the protection, maintenance, and improvement of quality in peanuts during marketing, including the development of improved and more objective methods for sampling and measuring quality and facilitating inspection and grading procedures. Included would be evaluations to determine the effect on market quality of various practices followed during production, harvesting, storage, handling, and conditioning operations. This would require the use of peanuts of known production, harvesting, and handling history which would be accomplished through cooperation with production research programs of the Department and the State agricultural experiment stations. It is also contemplated that standardized facilities and skilled personnel of the laboratory would be available to the industry and other research programs of the Department and the States in making quality evaluations on small samples of peanuts which represent new varieties or experimental conditions of production, harvesting, or handling.

Also, the program would be concerned with the development of effective methods for preventing, controlling, or eradicating insects in peanuts under various conditions of storage, handling, and treatment. Finally the program would seek to improve the efficiency of peanut marketing by developing improved equipment, work, and handling methods during the drying, shelling, and storage operation. The program would necessarily be concerned with quality evaluations and the effect on quality and end products of different practices being followed in the industry. But the laboratory would not be engaged in the development of new uses for peanuts or peanut products, which is the basic mission of utilization research.

Utilization research is conducted by the Southern Regional Utilization Research and Development Laboratory of ARS at New Orleans. About three-fourths of the resources of that Laboratory are allocated to research

on new uses for cotton and cottonseed. The remaining one-fourth is concerned with rice, naval stores, sugar, and other crops, including peanuts. Of the total of approximately 225 professional man-years engaged in product and process development research in that Laboratory, 3 are assigned to peanuts which represent an annual expenditure of approximately \$69,000.

The Department appreciates the opportunity to help clarify some of the misconceptions which have arisen concerning the proposed laboratory.

Sincerely yours,

ORVILLE L. FREEMAN.

MR. RUSSELL: Mr. President, no one knows better than do the conferees on the part of the House, as well as my four colleagues who sat with me through long hours representing the Senate on the conference, that there is no truth whatever to the statement that the peanut laboratory is now the issue. The peanut laboratory relates to the marketing service. It has nothing whatever to do with amendment No. 2, on which the Senate voted to insist by a vote of 77 to 0. One appears on page 3 under Agriculture Research and the other on page 15 under Agriculture Marketing Service. They are not even in the same item in the bill. I made it perfectly clear on occasion after occasion during the conference that, much as I regretted to see that budgeted item go down the drain, badly needed as it was to help the farmers of the whole peanut producing area, I would yield on it if the House would accept the one item in the bill, which dealt principally with research for utilization purposes and contained in amendment No. 2.

MR. MANSFIELD: Mr. President, will the Senator from Georgia yield?

MR. RUSSELL: I yield to the Senator from Montana.

MR. MANSFIELD: I have said nothing about this subject, but to my own personal knowledge the distinguished senior Senator from Georgia has made the statement relative to the laboratory in his State on three different occasions, and on one occasion while we were meeting jointly with the leadership on the other side of the Capitol.

MR. RUSSELL: I thank the Senator from making that statement.

In our efforts to bring this problem to an honorable conclusion, I discussed the issue which places the bill in jeopardy with the Democratic leadership on the other side of the Capitol. I discussed it with the leadership on both sides of the aisle in this Chamber.

MR. KEATING: Mr. President, will the Senator from Georgia yield?

MR. RUSSELL: I yield to the Senator from New York.

MR. KEATING: I reiterate what the distinguished majority leader has said. I believe the distinguished Senator from Georgia made exactly that statement on at least two occasions. For the life of me, I cannot understand why people continue to talk just about peanuts.

Of course, I am not a member of the conference; but, as I understand, the Senator from Georgia is standing on a matter of principle from which he will not recede. As I recall, the Senate voted not to recede on the principle that the

bill provide facilities for agricultural research. It may well be that within this category there may be some room for negotiation; but, in my judgment, the research items are among the most important in the entire bill.

As I understand the position of the Senator from Georgia, as it has been made perfectly clear to many of us, it is that, much as he regrets to do so—and I admire him for it—he is willing to yield on the so-called peanut laboratory if the principle is established that other research facilities shall be in the bill.

I commend the Senator. His principles and mine are not always in agreement; but I know that he is a man of principle and that when he takes a position, it is very difficult to budge him from it. In my judgment, his position in this instance is absolutely correct.

I have regretted the appearance in some quarters of notices to the effect that the Senator from Georgia is taking an obstructionist point of view. In my judgment, he is not taking such a position.

**Mr. RUSSELL.** Mr. President, the issue is whether the Senate has a right to amend an appropriation bill in any and every respect. Year after year, the Senate has yielded to the fantasy that the Senate does not have the right to originate appropriation bills. We are in session today—in October—because we have accepted that fallacious construction of the Constitution, when in fact the Constitution does not contain one word which prohibits the Senate from initiating appropriation bills.

If the Senate had initiated four or five appropriation bills and had begun to hold hearings on them in January, Congress could have adjourned sine die by August 15. On the contrary, the Congress has remained in session until late in the fiscal year, waiting for the other body to send appropriation bills to us and give us a short time to consider them.

The agriculture appropriation bill, about which I am now speaking, reached the Senate on July 25, almost one month after the new fiscal year had begun. The independent offices appropriation bill reached the Senate on August 1. The military construction appropriation bill came to us on August 14. The public works appropriation bill for 1963 came to the Senate on August 16, almost two months after the beginning of the new fiscal year. This has been due to the fact that the Senate, in its tolerance and forbearance with the petulance of the other body has not challenged its right to initiate appropriation bills.

But in this case, Mr. President, when we reached the conference and came to these items on research, the House conferees said "We will talk to you about the research items, but we will not discuss any item that has to do with the construction of a facility."

Mr. President, I told the conferees of the other body that I knew of no constitutional limitation on the Senate in that regard, and that I did not believe the Senate would accept one that was presented by five representatives of the other body in a conference. We were told

that because the other body had not added any items for the construction of facilities, they struck out the peanut research item, although it was a budgeted item. I pointed out to them that that was not a correct statement, inasmuch as included in the House version of the bill, in this amendment numbered 2, was an appropriation item by the other body for the construction of a poultry research facility at East Lansing, Mich.

So, Mr. President, the conference went on from there, with the House conferees even refusing to discuss any facility for research, because they said their committee had not included some items for research facilities that some Members of their body desired. That was a very unusual position—to oppose our constitutional right to amend the bill to provide for necessary facilities because the House had failed to do so. Even if one accepts the fallacy that the Senate does not have a right to initiate an appropriation bill, certainly either body has a right to initiate any research facility construction item.

Mr. President, I have endeavored to deal with this situation with as much forbearance as I possibly could summon, and I am perfectly willing to continue to deal with it with forbearance; but I wish to state now that the Senate has receded so much on matters relating to appropriations that the other body has about concluded that it is the only body which has a right to deal in any way whatever with appropriations. If we surrender in this case, certainly we shall not only be surrendering this power under the Constitution, but we shall also be surrendering any contention that we are an equal and coordinate legislative body.

If the Senate has an ounce of self-respect, it will stay in session until Christmas if it takes this to establish our position as a coequal body in every respect.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963—CONFERENCE REPORT

The Senate resumed the consideration of the motion of Mr. HAYDEN to concur in the amendment of the House to the amendments of the Senate numbered 4, 18, 20, 22, and 24.

**Mr. HAYDEN.** Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of the adoption of the amendments of the conference report, a table showing the action taken on the bill.

**The PRESIDING OFFICER.** Without objection, it is so ordered.

(See exhibit 1.)

**The PRESIDING OFFICER (MR. METCALF IN THE CHAIR).** The question is on agreeing to the motion of the Senator from Arizona [Mr. HAYDEN].

#### UNNECESSARILY LARGE NUMBER OF TROOPS STATIONED IN MISSISSIPPI

**Mr. STENNIS.** Mr. President—

**The PRESIDING OFFICER.** The Senator from Mississippi.

**Mr. STENNIS.** Mr. President, I wish to obtain the floor. However, if there is to be no further debate on the question of the motion of the Senator from Arizona, I am perfectly willing to have the vote on it taken.

**Mr. PROXIMIRE.** Mr. President, I object; I wish to comment on this measure.

**Mr. STENNIS.** Then, Mr. President, I shall detain the Senate only a few minutes—not for as long a time as I would otherwise do.

I wish to give a report, and then comment on it, about the number of troops remaining in and still assembled in or very near the State of Mississippi.

At 10 a.m. today, Washington time, there were 5,450 Regular U.S. Army troops in Oxford, Miss., or in the area of Oxford, and 3,000 National Guard troops in regular service and on active duty.

In addition, at Columbus, Miss., some 150 miles to the east, there were 6,700 Regular U.S. Army troops. I understand that all of them are paratroopers, and that that group includes the four or five special, "crack" units out of both the 82d Paratrooper Division and the 101st Paratrooper Division.

In addition, there were 4,500 National Guardsmen scattered all over the State, some as far as Biloxi and Gulfport, Miss., some 350 miles from Oxford—4,500 National Guardsmen, still under call, and ready to report to their respective armories. There was a relaxation insofar as some of the hardship cases were concerned as to the 4,500 Guardsmen—to permit them to return home, and so forth, although they are required to remain very near the area, or at least subject to call. I know that one of these units includes a medium tank battalion of National Guardsmen, who are still on duty; and I know they are, because I called some of their commanding officers this morning—a medium tank battalion on duty more than 200 miles from Oxford, Miss.

Mr. President, the figures I have given total 19,600 men, as of 10 o'clock this morning. But, in addition, at Memphis, Tenn., just over the line from Mississippi, and about 70 miles from Oxford, there were an additional 6,170 troops—for a grand total of 25,770 military men on duty this morning, with the slight exceptions as to rigid duty which I stated as to some of the 4,500 National Guardsmen for whom there have been some relaxations.

At 10 o'clock this morning there were 6,700 paratroopers at Columbus. On the other hand, Mr. President, our country has only 6,000 troops in Berlin. I venture the estimate that in view of the availability of modern air transportation and all the other means available to them, 2,000 of these paratroopers could be at any point in Mississippi within almost a matter of minutes—either from Columbus or from anywhere else in the vicinity where they are located.

At the Columbia Airbase, one of our major SAC bases, the B-52's, and all the other equipment included in that program are on the alert. I understand that the alert has not been suspended, but

there are 6,700 men on the runways or surrounding them.

This morning, at 10 o'clock, 2,700 men were moved out from the Memphis area and 2,700 men were moved out from the Columbus area. But even at this moment, after subtracting for those recent movements, we find that 20,370 men remain there, on duty.

Mr. President, if this is a military decision, how can the Appropriations Committee and the Armed Services Committee take seriously the representations of the military officers or the civilian officials as to what they need in order to do a certain job? How can we seriously appropriate funds based on estimates no sounder than this.

I do not believe this is a military estimate. I do not believe military men would risk their professional reputation and standing by saying that under these conditions it is necessary to have 25,770 men on active duty there, as late as 10 o'clock this morning, Washington time. Instead, I believe it is a political decision.

Mr. RUSSELL. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield to the Senator from Georgia, the chairman of the Armed Services Committee.

Mr. RUSSELL. I should like to ask the distinguished Senator from Mississippi to state the population of Oxford, Miss.

Mr. STENNIS. It is about 7,000 or 8,000 people.

Mr. RUSSELL. Including both the whites and the blacks?

Mr. STENNIS. Yes, including all the civilians there. This is my estimate, and I am sure the population is not over 8,000.

Mr. RUSSELL. And that includes the women and the children also?

Mr. STENNIS. Oh, yes.

Mr. RUSSELL. How many students are there at the university?

Mr. STENNIS. In all, perhaps 4,500.

Mr. RUSSELL. Does that include the coeds?

Mr. STENNIS. Yes, several hundred coeds.

Mr. RUSSELL. Mr. President, I was utterly dumfounded to hear about the extent of the concentration of armed forces in the Oxford area. Practically all of the combat-ready Regulars in this country were either there or all ready to go there. I have heard that 8 out of the 10 battle groups that constitute our 2 airborne divisions were sent to Mississippi. I was even more astonished to read where these troops were digging in and establishing fox-holes and rifle pits. It seems that 25,000 troops in this small community would not have needed fortifications. I told the Secretary of Defense personally that I could see no necessity for such a vast concentration of armed forces. I venture to say that this is a greater number than General Grant had when he passed through Oxford after the capture of Vicksburg in 1863.

Mr. STENNIS. Yes; and I understand that Gen. George Washington never had that many troops under his command during the Revolutionary War.

Mr. RUSSELL. It would be interesting to know whether those who thought it necessary to deploy all of this military might in Oxford—and I believe I read the other day that the population of Oxford is about 6,800—

Mr. STENNIS. That is about right.

Mr. RUSSELL. Of which about 40 percent are colored. That number includes the lame, the halt, the blind, the babes in arms. If the same group of people are making our plans to deal with a new eventuality in Cuba, we have an easy answer as to why there has been such timidity and hesitation about imposing a quarantine on shipment of arms to Cuba. Those who concluded that it was necessary to deploy 25,000 of our firstline troops to Oxford, Miss., would undoubtedly conclude that it would take 17 million Americans to defeat Cuba if this situation became necessary.

Mr. STENNIS. I thank the Senator for his timely remarks.

Mr. President, I raise the question, Is this a military decision? I do not believe it is. I do not believe the Chief of Staff would risk his reputation as a military man and certify here or anywhere else that he has any basis for the decision or that he believes the presence of these men is necessary.

Is it a logical decision? Of course it is not. It is an outrage. It is ridiculous on its face to be keeping these men there at such great cost. I will find out, in some way, how much the cost per day is. Of course, the regular men have to be paid anyway, but I refer to the transportation costs and the cost of the additional men.

I repeat, Can we take seriously estimates that are put before us as to the military need with reference to any given situation?

I believe it is a political decision to keep these troops there, and I believe it is going to backfire. I believe there as an element which seeks to terrorize people, not only there, but elsewhere. It is un-American. It is undemocratic. It is contrary to the living spirit of the Constitution of the United States. I condemn it here on the floor of the Senate.

I stand for no violence. I stand for law and order. Most of the people in Mississippi stand for them.

#### NECESSITY OF OBEYING COURT DECISIONS

Mr. KUCHEL. Mr. President, the people of the United States and the people of the whole globe are going through as difficult, as great and as ugly a time as the world has ever seen. Like all my colleagues, I believe in law and order. I believe in peace with justice for the people of the United States and for the people of all the world.

The experiment in self-government in this country that has been in progress for the better part of 2 centuries is on trial. The unique and wonderful manner by which, in the 1700's, a group of colonial immigrants determined that self-government would be fashioned in America constitutes perhaps the most noble experiment in society's attempt to govern itself.

Part of the American system, with its theory of checks and balances, provides for an independent judicial branch. The basis upon which this theory of self-government must continue is on the basis of respect for law and order. When the Supreme Court, or the circuit court of appeals, or a Federal district court, or any State or local court makes a decision—object to it if you wish, Mr. President, but respect it. It is the law of the land, and it is so by virtue of the American Constitution. Respect the law of the land, Mr. President. That is the basis upon which people in this country are able to govern themselves.

I am not intimately acquainted with the manner by which the President of the United States discharged his duty in the melancholy misfortune of the State which my friend represents in this Chamber. I respect the Senator from Mississippi as a friend and as a spokesman for his State. With the greatest of respect on my part, I say that, as I see it, the President of the United States had no choice, for if a person who wears temporarily the title of chief executive of a State or of a Commonwealth repudiates a decision of the circuit court, the seeds of destruction are planted in American society. And that must not, nor cannot be.

On that subject I rise to say that in my judgment, the President of the United States had no choice. Terrorism existed in Mississippi, I hope and pray that this ugly chapter in the history of America will prove to be the last, and that we may go forward, no matter what our religion or our racial background may be, and live together, and demonstrate to all the world that we are united in a desire to establish at home a society of peace and justice and equal treatment under law, and that we continue to accept the responsibility of leadership in the cause of peace and justice for all people.

#### FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963—CONFERENCE REPORT

The Senate resumed the consideration of the motion of Mr. HAYDEN to concur in the amendments of the House to the amendments of the Senate numbered 4, 18, 20, 22, and 24.

Mr. KUCHEL. Mr. President, I wish to speak for a moment on the conference report. Final action in connection with the conference report on mutual security is about to be taken, and the mutual security bill is nearing enactment. No great number of words will be uttered for the RECORD on this occasion, but I thought Senators might pardon me for speaking for a moment on mutual security. I have the honor to be a member of the Appropriations Committee.

I remember the leadership of Dwight Eisenhower, one of the greatest American military geniuses of all time, given to mutual security before he was President, while he was President, and after he ceased to be President.

I remember when General Lemnitzer, then Chairman of the Joint Chiefs of

Staff, spoke before the Committee on Foreign Relations earlier this year. He referred to the Draper Committee report. Senators will remember the Draper Committee report. It was an excellent report by Americans dedicated to the security of this country.

General Lemnitzer quoted from the report:

The only alternative we can see to the interdependent allied free world, strengthened by our aid where needed, would be the Fortress America concept—taking our first stand in the last ditch.

We are all convinced that the mutual security program, both in its military and in its economic aspects, is a sound concept. What is needed is the determination to continue it and the ability to administer it well.

Certainly I agree. There is waste in many offices of government. There has been inexcusable waste in the mutual security program. War is waste at its unholy bloody utmost, Mr. President.

As I vote with the great majority of my colleagues, Democrats and Republicans together, in favor of a continuation of this program, I shall vote, in my judgment, for something which adds to the security of the American people.

Only a year ago I had the honor to be a Republican delegate in a bipartisan group led by the Vice President to visit, first, the new country of Senegal, to celebrate its independence; and thereafter to go to Geneva, where we were briefed by Ambassador Arthur Dean on the almost insurmountable problem—the thus far insurmountable problem—facing the free world, of trying honorably to negotiate a first-step dependable nuclear test ban agreement.

Then we went to the North Atlantic Treaty Organization headquarters. We saw there the proceedings incident to the 10th anniversary of the NATO shield. General Norstad was in command. We sat and watched soldiers representing every one of the 15 NATO countries, in their native military uniforms, come before us and run up their flags, standing together, demonstrating that in union there is indeed, strength, and that the people of the Atlantic Alliance stand together to deter potential Communist aggression.

I believe that the North Atlantic Treaty Organization needs to be strengthened by the governments of every NATO member including the Government of the United States, and I am trying, with my vote on this occasion, to strengthen NATO, because whatever amounts of money we may spend to make that an outstanding example of collective security, we shall thereby add to the security of our own people, of our own families, when we stand together with the nations of the free world.

The other day I read an article in the newspaper, written by the distinguished American columnist Joseph Alsop. He wrote about how critically important it is for American military personnel to help aid, guide, and educate those in southeast Asia to protect their freedom—and he spoke then of Vietnam—to be able to defend their own homes and their own communities, and what a tremendous value it is to the cause of man's freedom that the Government of the United

States is making available some funds by the use of which the Vietnamese are able to learn how to use the weapons of defense and thus be able to extirpate from the native villages the Communist infiltrators who continue to come into their gallant country in order to try to take it over.

Also, because I think it is something that ought to be read by those who read

the CONGRESSIONAL RECORD, I ask unanimous consent that the table on the percentage of country contributions by NATO members to NATO be inserted in the RECORD at this point. That is shown on page 425 of the hearings by the Senate Committee on Appropriations.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Percentage of country contributions under international cost-sharing formulas, fiscal years 1962-64*

Country	NATO infrastructure <sup>1</sup>	NATO military headquarter and military agencies	CEOA <sup>2</sup>	NMSA <sup>3</sup>	SEATO <sup>4</sup>	Cento <sup>5</sup>
United States.....	30.85	24.20	39.00	25.70	25.00	20.00
United Kingdom.....	10.50	19.50	10.50	20.71	16.00	20.00
France.....	12.00	17.10	16.00	18.16	13.50	
Federal Republic of Germany.....	20.00	16.10	10.49	17.10		
Italy.....	5.97	5.96		6.33		
Canada.....	5.15	5.80	3.00			
Belgium.....	4.84	2.86	10.49	3.04		
Netherlands.....	3.83	2.85		3.03		
Denmark.....	2.87	1.65		1.75		
Turkey.....	1.10	1.65		1.75		20.00
Norway.....	2.37	1.15		1.22		
Portugal.....	.28	.65		.69		
Greece.....	.67	.39		.42		
Luxembourg.....	.17	.09	.03	.10		
Iceland.....		.05				
Pakistan.....					8.00	20.00
Thailand.....					8.00	
Iran.....						20.00
Australia.....					13.50	
New Zealand.....					8.00	
Philippines.....					8.00	
Total.....	100.00	100.00	100.00	100.00	100.00	100.00

<sup>1</sup> North Atlantic Treaty Organization, covers latest cost-sharing agreement for 1961-64 infrastructure programs.

<sup>2</sup> Central European (pipeline) Operating Agency (NATO).

<sup>3</sup> NATO Maintenance Supply Services Agency.

<sup>4</sup> Southeast Asia Treaty Organization.

<sup>5</sup> Central Treaty Organization.

MR. PROXMIRE. Mr. President, before the Senate acts on the House amendments I invite attention to an article published in the New York Times this morning.

A large number of Senators including this Senator—representing a substantial minority, which may become a majority—voted for sharp cuts in the mutual security program. It has been our contention that there is unnecessary waste in foreign aid, and that it can be prevented if the program is operated more tightly.

In this connection, it is interesting to note that Chester Bowles, President Kennedy's special adviser on undeveloped areas, has proposed ending foreign aid to nations that "lack the competence, organization and will" to use it effectively.

In connection with the same statement, Mr. Bowles said that the Agency for International Development is flooded with "a wide range of pressures from worried ambassadors, visiting foreign officials, and, at an increasing rate, from foreign lobbies."

This, Mr. Bowles said, should end. He said that the Agency should be "relieved from the responsibility" of mixing cold war considerations with economic needs when it must decide on a specific request.

The United States should not hesitate, he said "to publicize our differences with those governments which persistently stick to outmoded concepts designed to protect the status quo and

which refuse to take the necessary steps to reform and strengthen their own economic and social systems."

Mr. President, I ask unanimous consent that the article may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BOWLES PROPOSES FOREIGN AID LIMIT—URGES END OF HELP TO AREAS UNABLE TO USE IT PROPERLY—SETS PRIORITY OF NEED

WASHINGTON, October 1.—Chester Bowles, President Kennedy's special adviser on undeveloped areas, has proposed ending foreign aid to nations that "lack the competence, organization and will" to use it effectively.

He has urged the administration to classify each nation that seeks assistance in one of four categories. He said those in the fourth should be "tactfully denied direct project assistance" but should not be ignored.

Mr. Bowles feels that by categorizing each nation and separating economic needs and cold war considerations, congressional and public uncertainty about the objectives of foreign aid will be eased.

#### POLITICAL TIES BLAMED

He made these suggestions in a memorandum circulated in the top echelon of the administration.

Mr. Bowles blamed what he called the "crazy quilt of political commitments which we inherited from the previous administration" for the lack of understanding about the foreign program.

Another problem, he continued, is that the Agency for International Development is flooded with "a wide range of pressures from worried ambassadors \* \* \* visiting for-

sign officials and, at an increasing rate, from foreign lobbies."

This should end, he asserted, and the Agency should be "relieved from the responsibility" of mixing cold war considerations with economic needs when it must decide on a specific request.

"The United States should not hesitate" his memorandum continued, "to publicize our differences with those governments which persistently stick to outmoded concepts designed to protect the status quo and which refuse to take the necessary steps to reform and strengthen their own economic and social systems."

Sources close to Mr. Bowles reported his ideas were received with great interest by most of those who had received the memorandum, including President Kennedy. They said Fowler Hamilton, head of the Agency for International Development, agreed with the memorandum in many respects.

The document also pleased such Democratic leaders in the Senate as MIKE MANSFIELD of Montana and HUBERT H. HUMPHREY, of Minnesota, these sources said.

In the first category, Mr. Bowles would place nations with a per capita gross national product of more than \$350. Their current problems would be sufficiently acute to require aid, but their difficulties would result primarily from the "misuse and mal-distribution" of their wealth.

Mr. Bowles lists in this category Greece, Venezuela, Lebanon, Cyprus, Singapore, Chile, Panama, Uruguay, Jamaica, Trinidad, and Argentina.

These nations, he feels, should be able "to put their financial houses in order." The United States, he says, should suggest corrective measures and advise them to introduce tax and land reforms and a more effective control of their foreign exchanges.

In the second category he would place nations with a gross national product of less than \$350, but which are "demonstrating outstanding competence and courage in mustering their own resources."

#### INDIA IN SECOND GROUP

He puts in this category Pakistan, India, Taiwan, El Salvador, Colombia, Nigeria, and Tunisia.

He proposes that in aiding these countries the United States should integrate its efforts with those of international lending agencies and other capital exporting countries, cut redtape, and assign the ablest people.

We should do this, he says, because "we are badly in need of some dramatic showcase examples of what outstanding performance by a recipient nation backed by generous U.S. assistance can accomplish."

In the third category he would place nations in an inbetween category—countries with inadequate gross national products that are succeeding in some fields of self-help but failing in others.

In the fourth category he would assign hopeless nations that should be satisfied to get the services of the Peace Corps, the food-for-peace program and technical and advisory services of the United Nations.

Mr. Bowles declined to identify any nations he feels should be in the third and fourth categories.

The United States, he cautioned, should realize that more than half the nations re-

ceiving assistance have an authoritarian government of one kind or another. But a military regime can be acceptable, he said, if it is striving for reforms.

Mr. PROXMIRE. While I have supported mutual security in the past and expect to do so in the future, it has been my contention that the fight to reduce the cost of the program was a most constructive action on the part of some of us in the Senate who feel strongly that the only way to get more efficiency in this program is to vote to reduce the amounts of money, and to provide some discipline in the program, so that the waste will be a minimum.

The statement of Mr. Bowles indicates that the administration, too, recognizes that we have been wasting money in the foreign aid program and is resolved to do something positive and constructive about it.

Mr. President, as one who led the fight on the floor of the Senate to cut the appropriations for foreign aid by \$785 million, I welcome and applaud this attitude of the administration that we can and should serve money in the foreign aid program.

Mr. YOUNG of Ohio obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield briefly, so that the Senate may act on the pending question?

Mr. HOLLAND. Mr. President, if the Senator will yield to me, I should like to speak about 2 minutes in regard to the conference report.

Mr. YOUNG of Ohio. Mr. President, I yield to the Senator from Florida with the understanding that I shall not lose my right to the floor.

The PRESIDING OFFICER. The Senator from Ohio yields to the Senator from Florida to speak on the conference report.

Mr. HOLLAND. Mr. President, I support the conference report on the foreign aid bill. I am glad that the amount for foreign aid, properly speaking, has been reduced to a total of about \$3.9 billion. I am particularly glad that some of the additional items, which are by no means foreign aid, are approved under the conference report and were agreed upon by the conferees of both Houses.

One of those items about which I am most happy is the item for assistance to refugees in the United States, which means, of course, Cuban refugees. That problem centers largely in Miami, in the State which I represent in part. The House conferees very graciously yielded on that particular item, and the bill from the conference restores the full amount of \$70,110,000, which, I wish to say for the RECORD, represents in part the payment of the costs of serving as the host area for that large number of refugees, now exceeding 100,000.

I am also happy about the inclusion of the item in the bill from the conference on the Philippine war damage claims in the total amount required to settle those claims; namely, in the amount of \$73 million, of which \$500,000 is to be allowed for salaries and expenses.

All Senators and other Americans will remember the difficult discussions and the troubles we had in the Far East, and particularly with the Filipinos, in connection with the early action in this session by the other body. I am glad that we have finally come to the stage not only of authorizing but also of appropriating for the settlement of the war claims of our allies, the Filipinos, in the great military effort made by them jointly with us.

I am happy also that the Peace Corps item is included in the bill, because I think that is proving to be a salutary effort in behalf of our own Nation and in behalf of the whole free world. That effort is in the field of peace, which is clearly real peace and not either in cold war or in hot war.

There are other items of that kind. I mention them merely because I think the bill is too often regarded solely because of its importance in the field of mutual assistance or foreign aid. Mentioning these three items in the RECORD will serve to bring out the fact that the bill will have important implications in other fields. I yield the floor.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I am happy to yield to my colleague.

Mr. LAUSCHE. I should like to ask the Senate conferees whether there is any intention in the bill to prohibit the use of refugee money in taking care of fugitives from Communist Yugoslavia?

Mr. SALTONSTALL. The answer is categorically "No." In behalf and at the request of the chairman, I shall enlarge on that answer if the Senator from Ohio needs it. But the answer is categorically "No."

Mr. LAUSCHE. My examination of the language of the bill discloses no intention of prohibiting the use of refugee money in caring for fugitives out of Communist Yugoslavia.

Mr. SALTONSTALL. The Senator is 100 percent correct.

Mr. HAYDEN. There is no intention to discriminate against them.

Mr. LAUSCHE. I thank the Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona, which is to concur in the amendments of the House to the amendments of the Senate numbered 4, 18, 20, 22, and 24.

The motion was agreed to:

## EXHIBIT 1

*Comparative statement of appropriations for 1962, and estimates and amounts recommended in bill for 1963*

## TITLE I—FOREIGN AID (MUTUAL SECURITY)

Item	Appropriations, 1962	Budget estimates, 1963	Recommended in House bill for 1963	Amount recom- mended by Senate	Conference action
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>					
<b>ECONOMIC ASSISTANCE</b>					
Development grants.....	\$296,500,000	335,000,000	\$225,000,000	\$275,000,000	\$225,000,000
Development grants, special authorization.....	100,000				
American hospitals abroad (special foreign currency program).....		12,800,000	2,800,000	2,800,000	2,800,000
Investment guarantees.....		180,000,000	30,000,000	100,000,000	30,000,000
Surveys of investment opportunities.....	1,500,000	5,000,000	1,000,000	1,000,000	
International organizations and programs.....	153,500,000	148,900,000	148,900,000	148,900,000	
Supporting assistance.....	425,000,000	481,500,000	350,000,000	400,000,000	395,000,000
Contingency fund.....	275,000,000	400,000,000	225,000,000	290,000,000	250,000,000
Alliance for Progress.....		600,000,000	525,000,000	575,000,000	525,000,000
Development loans.....	1,112,500,000	1,250,000,000	775,000,000	1,125,000,000	975,000,000
Administrative expenses (AID).....	47,500,000	55,000,000	46,000,000	52,000,000	49,500,000
Administrative expenses (State).....	3,000,000	3,100,000	2,700,000	3,100,000	2,700,000
Subtotal, economic assistance.....	2,314,600,000	3,461,300,000	2,330,400,000	2,972,800,000	2,603,900,000
<b>MILITARY ASSISTANCE</b>					
Military assistance.....	1,600,000,000	1,500,000,000	1,300,000,000	1,450,000,000	1,325,000,000
Total, Title I—Foreign Aid (Mutual Security).....	3,914,600,000	4,961,300,000	3,630,400,000	4,422,800,000	3,928,900,000

## TITLE II—FOREIGN AID (OTHER)

Item	Appropriations, 1962	Budget estimates, 1963	Recommended in House bill for 1963	Amount recom- mended by Senate	Conference action
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>					
Peace Corps.....	\$30,000,000	\$63,750,000	\$52,000,000	\$63,750,000	59,000,000
<b>DEPARTMENT OF THE ARMY</b>					
Ryukyu Islands.....	7,089,000	14,282,000	7,900,000	12,000,000	8,900,000
<b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE</b>					
Assistance to refugees in the United States (Cuban refugees).....		70,110,000	55,000,000	70,110,000	70,110,000
<b>DEPARTMENT OF STATE</b>					
Migration and refugee assistance.....		21,977,000	14,447,000	16,077,000	14,947,000
Investment in the Inter-American Development Bank.....	110,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Subscription to the International Development Association.....	61,656,000	61,656,000	61,656,000	61,656,000	61,656,000
Total, Title II—Mutual Security (Other).....	208,745,000	291,775,000	251,003,000	284,193,000	274,613,000

## TITLE III—INTERNATIONAL MONETARY FUND

Item	Appropriations, 1962	Budget estimates, 1963	Recommended in House bill for 1963	Amount recom- mended by Senate	Conference action
Loans to the International Monetary Fund.....		\$2,000,000,000	\$2,000,000,000	\$2,000,000,000	\$2,000,000,000

## TITLE IV—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating expenses.....	(\$1,800,000,000) (3,010,000)	(\$1,295,000,000) (3,000,000)	(\$1,295,000,000) (3,000,000)	(\$1,295,000,000) (3,000,000)	(\$1,295,000,000) (3,000,000)
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## TITLE V—MISCELLANEOUS AGENCIES

Item	Appropriations, 1962	Budget estimates, 1963	Recommended in House bill for 1963	Amount recom- mended by Senate	Conference action
<b>FOREIGN CLAIMS SETTLEMENT COMMISSION</b>					
Payment of Philippine war damage claims.....		73,000,000 560,000	73,000,000 (10)	73,000,000 450,000	73,000,000
Salaries and expenses.....					
<b>U.S. INFORMATION AGENCY</b>					
Acquisition and construction of radio facilities.....		7,375,000	1,600,000		1,600,000
<b>DEPARTMENT OF STATE</b>					
<b>INTERNATIONAL ORGANIZATIONS AND CONFERENCES</b>					
International conferences and contingencies.....		11 1,019,000	849,000	849,000	849,000
Total, Title V—Miscellaneous Agencies.....		81,954,000	75,449,000	74,409,000	75,449,000
Grand total, all titles of the bill.....	\$4,123,345,000	7,335,029,000	5,956,852,000	6,781,402,000	6,278,962,000

<sup>1</sup> Contained in H. Doc. 430.

<sup>2</sup> Contained in H. Docs. 430 and 503. H. Doc. 430 substituted a request for an appropriation of \$100,000,000 in lieu of the request for an authorization to expend from debt receipts in the same amount, as proposed in the January budget.

<sup>3</sup> Reflects decrease of \$18,500,000 in H. Doc. 430.

<sup>4</sup> Includes \$425,000,000 for loans and \$100,000,000 for grants.

<sup>5</sup> Includes \$6,000,000 contained in H. Doc. 378 and \$382,000 contained in H. Doc. 463.

<sup>6</sup> Contained in H. Doc. 514.

<sup>7</sup> Contained in H. Doc. 524.

<sup>8</sup> Contained in H. Doc. 446.

<sup>9</sup> Contained in H. Doc. 535.

<sup>10</sup> \$500,000 made available in item, Payment of "Philippine war damage claims."

<sup>11</sup> Contained in H. Doc. 537.

Mr. MUNDT. Mr. President, will the Senator from Ohio yield?

Mr. YOUNG of Ohio. I yield, provided I do not lose my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator from South Dakota is recognized.

#### TROOPS IN MISSISSIPPI

Mr. MUNDT. Mr. President, I presume many Senators were as shocked as I was today upon hearing the report of the distinguished Senator from Mississippi that as of this morning 25,000 troops are in Mississippi. It is true that the operation is expensive. But to me there is something more significant than that. What disturbs me is that if the President is required to send 25,000 troops to Mississippi to get a Governor of his own party to cooperate with his own President, it represents something pretty serious and a breakdown in the kind of relationships which should exist.

This is not a discussion between two political parties or two partisans. The people of Mississippi voted for the President who sent those 25,000 troops down to camp on the campus of the University of Mississippi. I am disturbed about relationships of that kind because unless we can develop more harmonious formulas for enforcing the laws of the United States, unless we can develop some better form of persuasiveness whereby the President can exercise the high prestige and power of his office to bring about the enforcement of law, one must become pessimistic about the prospects of that President conferring with Khrushchev of Moscow, who did not vote for it, who does not belong to his own party, and whose people did not support him in a great election.

How will the President of the United States persuade Khrushchev to conform with international law if he cannot compel members of his own party to cooperate in a State which has supported him faithfully and supported every President who appointed the Justices of the Supreme Court who made the initial decision to which the Mississippians object?

How is that type of relationship to be made to function? We agree, I believe, that 25,000 troops sounds like a great many. I do not know how many were required. But I wish the President and the Attorney General would devote as much time, talent, energy, and thought to developing a positive program toward Cuba as they have devoted toward developing a positive program for Mississippi. At least they got the job done in Mississippi. Everyone knows what American policy is vis-a-vis Mississippi. But I dare say that no one in America can tell what our policy is vis-a-vis Cuba, because we do not have it in hand. We do know that the Russian military buildup in Cuba is expanding. We do not know what the answer is. We would like to have guidelines. Congress has enacted legislation under which the President has been mandated to take some positive action. We have told him that we would support him. But the 25,000 troops are not

being encamped, trained, and directed in connection with the Cuban problem. They are directed toward the Mississippi problem, which I join the rest of the Senate in hoping will speedily be solved.

#### FARM PROGRAM

Mr. MUNDT. Mr. President, I take the Senate floor at this time primarily to point out that it is never pleasant for a prophet of bad news to have his prophecy vindicated. Along with other Senators, I said on the Senate floor at the time we passed the 1962 farm bill and adopted the conference report that it was a sorry day for American agriculture. I said it was bad news for the family farmer of America.

On the basis of the evidence which is now before us and which has since been publicized I must say that this is a very bad piece of news for American agriculture in view of the generally recognized knowledge now as to the portent and content of the farm bill. I invite the attention of Senators to an Associated Press story which appeared on page 32 of the Sunday, October 7, issue of the New York Times.

The PRESIDING OFFICER. The Senator knows that the Senate is still in the morning hour. Will the Senator permit the Chair to ask whether there is further morning business?

Mr. MUNDT. Certainly.

The PRESIDING OFFICER. Is there further morning business? If there is no further morning business, morning business is closed.

Mr. MUNDT. Mr. President, will the Senator yield me 2 or 3 additional minutes?

Mr. YOUNG of Ohio. I yield.

Mr. MUNDT. I wish to read the article into the RECORD because I think the Senate and the country are entitled to know how the farm bill has been objectively analyzed and objectively interpreted. People might look with a jaundiced eye, I suppose, at what the Senator from South Dakota, who happens to be a member of the Senate Committee on Agriculture and Forestry, and who is a Republican, and opposes the bill, may say. We may be told, "That is a partisan statement on the Senator's part because the bill is a Democratic bill."

I suppose the same people, or others like them, would look with a jaundiced eye when Secretary of Agriculture Freeman states that it is a wonderful piece of legislation and a great breakthrough for the farmer, or when any Democratic spokesman tries to support it because it is a Democratic bill.

So let us forget what the Democratic spokesmen say in praise of the bill and what the Republicans say in criticism. Let us rely, if we may, on an objective analysis by the talented farm experts and reporters of the Associated Press who have analyzed the bill and who, in yesterday's issue of the New York Times, told us exactly what will happen.

The headline states: "Kennedy Gambles on Farm Program."

The difficulty is that the President does not gamble his own money. He is

not in the farming business. He is not gambling his own cattle, his own hogs, or his own cornfields. He is gambling with the farmer's future and with the farmer's products.

The subhead of the article reads: "Makes Plan Less Palatable To Gain New Controls."

Those words could be found in the speeches of the Senators who oppose the bill at the time we passed it.

I read the article:

WASHINGTON, October 6.—The Kennedy administration has taken a calculated risk in the new farm act that may or may not pay off next year.

The gamble is on the livestock feed grain program, starting in 1964, which the administration succeeded in obtaining despite the reluctance of Congress.

From the standpoint of most growers this program is so much worse than the one it will replace that the administration believes the next Congress will pass a new one more to its liking.

I wish to reread that paragraph in the hope that every American farmer will find it in the RECORD, in his newspaper, hear it on the radio, or see it on the television.

The farmers should know that in 1964 they face catastrophic consequences as a result of the 1962 Farm Act with its program of flexible, falling farm supports which far out-Benson Ezra Ben-

The Associated Press analysts say:

From the standpoint of most growers this program is so much worse than the one it will replace that the administration believes the next Congress will pass a new one more to its liking.

I continue to read from the Associated Press article:

The administration wants authority to invoke, with the farmers' approval, controls on production of feed grains as well as of other farm products affected from time to time by surpluses.

These controls, which the administration refers to as supply management, would be intended to stabilize production at levels necessary to meet all demands and maintain a safe reserve.

#### REJECTED BY CONGRESS

Congress refused to approve such controls for the feed grains this year. Many Senators and Representatives contended that the legislation enacted in 1958 under the Eisenhower administration would operate satisfactorily to stabilize feed grains if it were allowed to function.

This law removed acreage allotments from corn, the major feed grain. It also set price supports at 90 percent of the average market price during the previous 3 years. This allowed a lower support rate than had prevailed under previous legislation. Advocates said it would tend to discourage overproduction and bring about a balance between supplies and requirements.

But the Kennedy administration refused to go along with this program. It set up in 1961, continued this year and got Congress to extend through next year, a program that offers grain producers payments for leaving a part of their feed grain land idle and price supports on their production.

That bill was unanimously approved by the Committee on Agriculture and Forestry a year ago. I was among those who supported it. It increased farm income to some extent; very little and inadequately, but it pointed it up a little.

The "put" rights under the second contract were as follows:

*Contract DMP-131, Dec. 18, 1956*

	Nickel	Cobalt	Copper
Quantity (pounds).....	9,240,000	7,320,000	7,200,000
Prices to be paid.....	\$0.65	\$2.60	\$0.36
Period of delivery (years).....	6	6	6

<sup>1</sup> This price was \$0.25 per pound over the prevailing market price of that same date.

On October 28, 1957, the price of nickel was \$0.74 per pound, or 9 cents per pound higher than the "put" price in the contract, so the Government again amended this contract to release the company of its requirement that the amount of cobalt and copper tendered was to be tied to the amount of nickel delivered. Accordingly—on October 28, 1957—the second contract was further changed to permit the contractor to sell its nickel elsewhere upon payment to the Government of the difference between the market and contract prices, and one-half of such amount above the market price as the contractor might receive for its nickel but still allowing the company to deliver cobalt and copper.

The company then delivered the following amounts of cobalt and copper to the Government under the "put" rights of the second contract:

	Cobalt	Copper
Amount delivered (pounds).....	2,885,789	2,840,000

As of January 1, 1960, the contractor's right to tender cobalt had been reduced to 3,660,000 pounds and its right to tender copper had been reduced to 3,600,000 pounds—nickel having been eliminated from the contract in 1957 as indicated above.

By this time the price of cobalt had declined from the contract "put" price of \$2.60 per pound to \$1.75 per pound, representing a drop of 85 cents per pound, and copper declined from 36 cents to 34 cents per pound, or a decline of 2 cents per pound.

Thus as of January 6, 1960, the Government faced a potential loss of \$3,183,000 on the undelivered portion of the contract, but now the Government decided that it did not need these metals and advised the company that it wanted to cancel the contract.

On January 6, 1960, the contract was canceled as to the contractor's "put" rights on the remaining cobalt and copper. Under the terms of this cancellation \$2,500,000 was paid to the National Lead Co. as a cancellation charge. This payment was made in electrolytic nickel from the DPA inventory priced at market.

An argument was made that this \$2½ million payment was in part an offset for a \$3 million investment which the company had made in a plant which as a part of this cancellation agreement they were turning back to the Government. But an examination of this claim not only refutes the argument but raises more questions. For instance, this was the plant arrangement:

The National Lead Co. did convey to the Government title to certain facilities but the Government promptly leased these back to the National Lead Co. for 6 years for only a token payment.

Under the original contract the Government had advanced \$7,500,000 toward the construction of the refinery. No repayment had been made either on the principal or on the interest of this \$7,500,000 advance. The National Lead Co. claims that it had spent around \$3

million of its own funds to complete this refinery which was being returned to the Government. But as the company turned this refinery over to the Government at the same time it obtained a lease for a period of 6 years at a rental of \$600,000 per year; however, rent for the first 5 years was waived in recognition of National Lead Co.'s investment of \$3 million in the Fredericktown, Mo., facilities.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter dated September 6, 1962, together with a tabulation of contract information, and a letter dated September 19, 1962, both letters signed by Mr. Bernard L. Boutin, Director of General Services Administration.

There being no objection, the letters and table were ordered to be printed in the RECORD, as follows:

GENERAL SERVICES ADMINISTRATION,  
Washington, D.C. September 6, 1962.  
Hon. JOHN J. WILLIAMS,  
U.S. Senate, Washington, D.C.

DEAR SENATOR WILLIAMS: With further reference to your letter of August 21, we are enclosing information concerning contracts with the National Lead Co.

All of the contracts listed were purchase contracts, except for No. 12095, which was an expansion type contract. The latter contract was the only one on which a cancellation was involved. The cancellation occurred simultaneously with the execution of a new contract, No. DMP-131, on December 18, 1956.

In accordance with your request for market price information, we have indicated on the attachment, appropriate prices prevailing on December 18, 1956, when No. 12095 was succeeded by No. 131; on October 28, 1957 when No. 131 was amended to eliminate the nickel "put"; and on January 6, 1960, when copper and cobalt were eliminated from the contract.

Sincerely yours,  
BERNARD L. BOUTIN,  
Administrator.

Contract No. SCM-TS-	Date	Commodity	Tonnage (short tons)	Price	Period of delivery	Delivered
SCM-TS-13908.....	Feb. 15, 1949	Lead, antimonial.....	3,800	Market month prior to shipment.....	February, March, April, and May 1949. do.....	
SCM-TS-14340..... GS-OOP-3759 (SCM).	May 2, 1949 Oct. 30, 1952	Lead, common, contractor's option to furnish corroding or chemical..... Lead, corroding..... do.....	7,600 200 1,200	\$0.151 per pound..... Market specified month of shipment.....	Shipment May 15, 1949..... 800 short tons November 1952..... 400 short tons December 1952.....	2,399,894 pounds.

GS-OOP(D)-12095 (succeeded by contract DMP-131) Oct. 4, 1951

	Nickel	Cobalt	Copper
Tonnage (pounds).....	9,261,000	6,930,000	7,087,500
Price per pound.....	\$0.474	\$1.845	\$0.214
Period of delivery (years).....	6½	6½	6½
Total deliveries (pounds).....	0	2,885,789	2,840,000
Contract in effect amended on Dec. 18, 1956; among other things the prices to be paid were set at.....	\$0.65	\$2.60	\$0.36
Undelivered portion at time of increase in price.....	(?)	(?)	(?)

<sup>1</sup> Under the amendment (actually a new contract) the contractor conveyed to the Government the title to the contract facilities, which the Government in turn

leased back to National Lead Co. for 6 years. The firm delivery requirements as to metals produced were changed to put rights with an appropriate provision tying the right to put cobalt and copper to the quantity of nickel tendered.

On Oct. 28, 1957, the contract was further amended to permit the contractor to sell its nickel elsewhere upon payment to the Government of the difference between the market and contract prices, and ½ of such amount above the market price as the contractor might receive for its nickel.

On Jan. 6, 1960, the contract was further amended to cancel the contractor's put rights as to the remaining cobalt and copper, nickel having been eliminated in 1957. The difference between the contract and market prices as to the remaining tonnage to which the Government was exposed, after giving effect to counter credits growing out of the contractor's lease obligation, \$2,500,000 was paid to the contractor in electrolytic nickel from the DPA inventory priced at market. The long-term lease was canceled and a firm lease for 9 months with 30-day extension privileges was signed. Subsequently, in April 1961, the lease was finally terminated and the facility was vacated by the contractor.

It should be stated that the original contract was designed to create capacity, nonexistent in the United States, to treat the intermediate residues from the contractor's own lead and zinc operation, to increase the supply of nickel, cobalt, and copper.

The original contract entailed the advance by the Government of \$5,000,000, later increased by amendment to \$7,500,000 to the contractor for the construction of the refinery, later as shown above, turned over to the Government after the contractor had expended some \$3,000,000 of its own funds to complete.

#### Market prices

	Nickel	Cobalt	Copper
Dec. 18, 1956.....	\$0.74	\$2.35	\$0.36050
Oct. 28, 1957.....	.74		
Jan. 6, 1960.....	1.75		.34

<sup>a</sup> Delivered.

<sup>b</sup> No prior delivery.

GENERAL SERVICES ADMINISTRATION,  
Washington, D.C., September 19, 1962.

Hon. JOHN J. WILLIAMS,  
U.S. Senator,  
Washington, D.C.

DEAR SENATOR WILLIAMS: This is to confirm the information furnished you by a member of our Defense Materials Service staff concerning contracts GS-OOP(D)-12095 and DMP-131 with National Lead Co., involving facilities at Fredericktown, Mo., in response to questions you raised upon receipt of our letter of September 6.

Contract DMP-131 provided "put" rights to National Lead Co. for 3,240,000 pounds of nickel, 7,320,000 pounds of cobalt, and 7,200,000 pounds of copper, over a period of 6 years from the effective date, which was December 1, 1956.

As of January 1, 1960, the contractor's right to tender cobalt had been reduced to 3,660,000 pounds and to tender copper had been reduced to 3,600,000 pounds. As you know, nickel had been eliminated from the contract.

The term of the lease originally provided under contract DMP-131 was 6 years with a rental of \$600,000 per year. However, rent for the first 5 years was waived in recognition of National Lead Co.'s investment of more than \$3 million in the Fredericktown facilities. This lease continued for 3 years and 1 month, through December 31, 1959, when by the amendment of January 6, 1960, it was converted to a firm lease for 9 months, with the right of the lessee to continue thereafter on a month-to-month basis. The contractor did continue in possession through April 30, 1961. The rental was at the rate of \$190,000 per annum or 6½ percent of gross sales, whichever is greater.

There were no repayments on the \$7,500,000 of advances made to construct the facilities.

The market price of nickel on January 6, 1960, was 7½ cents per pound.

The first contract, GS-OOP(D)-12095, was a firm purchase agreement, while the second contract, DMP-131, was of the floor price type with "put" rights in National Lead. No deliveries were made under the first contract, as the facilities were just reaching the production stage when contract DMP-131 was executed. Thus, the deliveries shown in the tabulation accompanying our letter of September 6 were made under contract DMP-131.

Sincerely yours,

BERNARD L. BOUTIN,  
Administrator.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

The PRESIDING OFFICER. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

#### TREASURER OF THE UNITED STATES

The legislative clerk read the nomination of Mrs. KATHRYN E. GRANAHAN, of Pennsylvania, to be Treasurer of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of John G. Green, of Wisconsin, to be collector of customs for customs collection district No. 36, with headquarters at Duluth, Minn.-Superior, Wis.

Mr. HUMPHREY. Mr. President, I ask that the nomination go over.

The PRESIDING OFFICER. Without objection the nomination will be passed over.

#### APPRAYER OF MERCHANTISE IN CUSTOMS COLLECTION DISTRICT NO. 10

The legislative clerk read the nomination of Michael Stramiello, Jr., of New York, to be appraiser of merchandise in customs collection district No. 10, with headquarters at New York, N.Y.

The PRESIDING OFFICER. In his capacity as a Senator from Wisconsin, the Chair suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I regret that I had not been informed that objection had been raised to all the nominations on the Executive Calendar. I knew of the objection to the consideration of one nomination; but the distinguished junior Senator from Wisconsin has just informed the acting majority leader that he has objection to the consideration of all three nominations unless all three may be taken up and confirmed. On that basis, I move that the action by which the nomination of Mrs. KATHRYN E. GRANAHAN, Pennsylvania, to be Treasurer of the United States was confirmed be vacated.

The motion was agreed to.

#### LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

#### FOREIGN AID

Mr. HUMPHREY. Mr. President, I desire to comment with respect to the foreign aid appropriation bill conference report which was approved today. I have noted with considerable interest

that the press has called our attention to the fact that the item of foreign aid was sharply reduced from the administration's original request. Certain items in the foreign aid appropriation bill were too sharply reduced.

I recognized the problem in the conference committee. I have served on many conferences. I know that foreign aid is essentially a process of compromise. But I remind the Senate that the cuts that were made in the Development Loan Fund, that is, in the loan section of the bill, were cuts which I think were too deep.

I also feel that the process of negotiation in conference, by which these substantial cuts were agreed to, will in the months ahead cause the administration of the AID program some difficulty.

This morning the New York Times published an editorial entitled: "Future of Foreign Aid." It may very well be that the editorial has already been referred to. In a sense, I believe it forewarns both Congress and the administration of the future of foreign aid.

First, it seems to me, there has been a growing lack of understanding on the part of Congress concerning what the foreign aid program has done, is doing, and can do. This results in less support for the program.

It was my privilege to be in charge of the foreign aid appropriation bill during the Senate's consideration of it. I well recognize the closeness of many votes, the sharp opposition having been registered not against the program as such, but against the amount of the program. I want the AID administration and the Department of State to have the overall responsibility for the AID program.

Mr. President, I ask unanimous consent that the New York Times editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 8, 1962]

#### FUTURE OF FOREIGN AID

The Kennedy administration is reported to be getting some satisfaction out of the conference version of the foreign aid bill, passed by the House, on the philosophic ground that the final bill might have been worse. This is no doubt true, but certainly no enthusiasm can be expected from the supporters of foreign aid.

The final compromise appropriation of \$3,928,900,000 reflects a cut of about 20 percent below the President's original request. Almost \$300 million of this shortfall is concentrated in the appropriation for long-term development loans. The compromise does give the President discretionary authority with regard to economic aid for Poland and Yugoslavia and for non-Communist countries whose ships move goods to Cuba.

With the sobering lesson of this long and bitter foreign aid battle behind it, the administration can have no illusions about the task it will face again next year in this field. The rising tide of congressional impatience with foreign aid could really result in disaster in the future if prompt action is not taken soon to find the bases of this discontent and to act against them. In seeking to change the climate of congressional opinion the administration will need very much the help of

recipient countries which should be aware of their own self-interest in presenting vivid proof soon of important economic and political gains made with our help.

**Mr. HUMPHREY.** Mr. President, the editorial reads, in part, as follows:

The final compromise appropriation of \$3,928,900,000 reflects a cut of about 20 percent below the President's original request. Almost \$300 million of this shortfall is concentrated in the appropriation for long-term development loans. The compromise does give the President discretionary authority with regard to economic aid for Poland and Yugoslavia and for non-Communist countries whose ships move goods to Cuba.

With the sobering lesson of this long and bitter foreign aid battle behind it, the administration can have no illusions about the task it will face again next year in this field. The rising tide of congressional impatience with foreign aid could really result in disaster in the future if prompt action is not taken soon to find the bases of this discontent and to act against them.

I have said a number of times that if the AID administration is really to be able to interpret what the foreign aid program does for the people at home and for people in other parts of the world, we must learn to interpret the program as being something else besides the dollar sign.

When people hear of an appropriation \$3,900 million or \$4 billion, they justifiably take a long look at it, because it represents a great sum of money. For some peculiar reason, there is a lack of communication between the aid program and the American people and, in fact, people in other parts of the world.

I wonder why we do not talk about what the aid program does, for example, in connection with the projects which are underway and the jobs which are supplied, both at home and abroad. I wonder how many Senators and Members of the House of Representatives have ever tried to evaluate what it would mean to our economy if the aid program were dropped, in view of the fact that 78 to 80 cents out of every dollar for the aid program is spent in the United States, for goods and services from the United States. What does this program mean in district after district and in State after State? Every time we consider a public works bill, someone reminds the Congress, "This will mean great things for my district. It will mean new jobs, new employment, new business."

Yet, Mr. President, ever year the foreign aid program does more for the American economy than do all the public works programs put together.

What does the aid program do overseas? It builds homes. It helps establish sound governments. It maintains friends in power. It permits countries to have programs of public help. It provides for education for millions of children. It builds schools, railroads, roads, harbors, public facilities. It provides for processing and manufacturing, and for some degree of modernization in agriculture. These are just a few of the things the aid program does.

So I suggest to the AID administration that it should begin to interpret this program in some way other than by

means of an accountant's sheet or a budget document, or as if the only thing involved were a bank statement. After all, there is scarcely anything much more old, barren, and sterile than a set of figures on a ledger sheet. This program needs some good, red blood, so to speak, and some vitality. It needs interpretation on the basis of the human factors and the industrial, economic, and social developments involved. Perhaps one of these days someone will interpret the foreign aid program on the basis of what it does for people, for children, for agriculture, for land, for water, for all the natural resources.

Mr. President, the American people are doers and builders. They understand programs which result in construction and worthwhile developments. But when they are constantly told of nothing except a balance sheet or expended funds, unexpended funds, obligated funds, and unobligated funds, that is a kind of political kangaroo that few persons understand.

Instead, why do not those in charge of our AID program speak of it in terms of the number of houses that have been built, the number that are in process of construction, and the additional number on the drawing boards, instead of all the "baloney" about obligated funds, unobligated funds, expended funds, and unexpended funds. Only a few of our people are cost accountants. The American people are interested in doing things, in creating things. The trouble with the administration of our foreign aid program is that those in charge attempt to explain it in bookkeepers' terms and accountants' and bankers' terms. Instead it needs to be presented in terms of engineering projects, scientific projects, teaching projects, doctors' projects, and a host of other projects that have definite meaning to people. Of course, accounting is needed, and so are balance sheets. It is true that we need to know how much money we have, how much money we need, how much more will be needed a year from now, and so forth.

But when General Motors gets ready to sell its 1963 automobiles, it does not publish in the Saturday Evening Post its ledger statement, together with a fantastic accounting sheet punched full of holes—something that very few of our people can understand. Similarly, when an insurance company is engaging in a sales program, it does not publish its cost and expenditure statements. Instead, it uses advertisements that have definite meaning to the mass of the people—for example, an advertisement showing a mother and her child. The child is asking, "Where is daddy?" Or it publishes an advertisement with a picture of a grandfather and a grandmother who are content and comfortable because of the payments they are receiving from an annuity. Undoubtedly a definite sum of money is involved; but the advertisements concentrate on the symbols of the happy grandfather and grandmother, or the happy family with a home and a car—all made possible because of insurance. The insurance companies do not base their advertisements on statistical statements of obligated funds, unobligated funds, expenditures, balances, and all that gibberish.

The trouble with the foreign aid program is that in explaining it to the public, those in charge of it concentrate on the dollar amounts involved, instead of explaining the program in terms of the security of the United States, the security of other nations, the prosperity and welfare of our country, and the prosperity and welfare of other countries. Certainly our whole country would be better off if those who discuss our foreign aid program were to begin to talk of what is obtained for the dollars that are spent, instead of just referring to the dollar amounts involved.

Similarly, so far as the funds spent for military purposes are concerned, few people would know what our military expenditures stand for if we did not have the flyovers with the Blue Angels and the other spectaculars. Not enough of our administrators have discussed these programs in terms of the dreams for the future and what can be the promise for man.

**Mr. SPARKMAN.** Mr. President, will the Senator from Minnesota yield?

**Mr. HUMPHREY.** I yield.

**Mr. SPARKMAN.** The Senator from Minnesota has been stating what these programs mean in terms of employment and employees in the United States, as a result of the foreign aid extended by us to other countries. He has stated that from 78 to 80 percent of these funds is actually spent in the United States.

However, let me point out that the other 20 to 22 percent is not spent in other highly industrialized countries. In short, the only money that is spent in other countries is spent in lesser developed countries. So such expenditures do not react against us, in connection with our balance-of-payments problem.

The Senator from Minnesota has referred to what this program means in terms of employment. I should like to mention an example in that connection; after all, if we speak only in general terms, people may not be aware of the specifics.

In June, I was informed that a plant in the Birmingham area was to be closed. It is a subsidiary of United States Steel. One of the plants there is a rail-rolling plant. We learned that that plant was about to be closed, and that more than 1,200 people would lose their jobs.

At about that time the United States made a loan to Pakistan—or had just agreed to make such a loan—for the rehabilitation of the railroads in Pakistan. Involved in that was the purchase of steel rails.

I took up with Mr. Hamilton and his associates in the aid program the problem involved in the prospective closing of the plant in the Birmingham area. I did so in an effort to ascertain whether a contract for the plant could be obtained.

I found that such a contract was obtainable, under a competitive bidding arrangement; and a \$9 million contract was awarded. As a result, that plant—instead of closing on July 1, the date which had definitely been set as the closing date—continued to operate, and

is operating today, and 1,200 people remain employed—whereas in the absence of that contract, they would not have employment in that community. That is but one of many examples of gains in employment as a result of this program, entirely aside from the consideration of the dollar benefits to that community; and throughout the country there are many, many other cases of that sort, which so many persons are prone to overlook.

Mr. HUMPHREY. Indeed so; and I thank the Senator from Alabama. No man is more intimately acquainted with the operation of the foreign aid program than is the distinguished Senator from Alabama or the Senator from Arkansas [Mr. FULBRIGHT]. Others are acquainted with the foreign aid program, but these two Senators have taken the lead in managing the authorizations for what I would like to call mutual security. During the process we get reams of testimony, thousands upon thousands of pages, many thousands of words of testimony, from some of the most able officials we have in Government.

I want to conclude my remarks on the foreign aid problem by saying I know there have been mistakes. As the present Presiding Officer, the Senator from Wisconsin [Mr. PROXMIRE], who spoke ably and brilliantly on this subject said, we do need tightening up. We cannot condone waste. We ought to exercise every possible rule of discipline and self-discipline to eliminate waste.

The AID administration has now appointed a sort of comptroller general, or an officer to watch over all of the expenditures, Mr. Mansfield, who used to be with the Subcommittee on National Policy Machinery of the Committee on Government Operations. I believe this particular office of postaudit will be very helpful.

I think, however, that we ought to keep in mind that it is the mistake, it is the error in judgment, it is the horrible example every so often that gets in the news. For example, if we have a project which goes wrong in South America—and we have had some—there is always a subcommittee of Congress that investigates, and that project makes the news. That is the headline story. But I want to say some of the good news needs to be recited as well, the good news, for example, that, because of our foreign aid and food for peace program, 42 million children in Latin America, north Africa, and the Middle East, are getting school lunches. And they know where it is coming from, because in every schoolroom in every one of those countries there is a sign, literally as big as this wall, that says, "This food is a gift from the people of the United States to the children of this country," whatever the country may be.

I have seen it. I have come home to tell the story, but I cannot get much news coverage out of it. But if I had come home and said, "Do you know what they are doing with that food? They are stealing it or blackmarketing it," they would say, "There is news, Senator HUMPHREY." But was it news to learn that in thousands of classrooms all over

the world, which we helped build, where there are teachers we helped educate and train, there was a lunch program that we helped provide? Oh, no, that was not news. That is like loving your mother—it is not news.

There is something wrong—we are fed on news of evil, on bad news, rather than good news. The foreign aid program has much good in it. Malaria is being eradicated throughout the world. Thousands of young Americans were victims of malaria during World War II. Throughout Africa tropical diseases are being conquered as a result of the foreign aid program, the medical program of the foreign aid program, and through cooperation with the World Health Organization.

Thousands and thousands of young persons are being trained as technicians, through the foreign aid program, to help make a better country and a better world. Through foreign aid we are teaching people to help themselves build their own homes and put in some sanitation facilities. We are building farm-to-market roads. One of the real problems in Latin America is a lack of roads from producing areas in the back country to the cities. Without communication and transportation, there is no market. We are helping that situation through our foreign aid program. We have irrigated millions of acres of land through Africa, North Africa, and the Middle East.

We have brought about some good with foreign aid, and I think the program deserves a pat on the back, instead of only a kick in the pants. I think it needs a better understanding on the part of the people. That does not mean whenever there is a mistake we ought not to do something about it. In fact, I have suggested that whenever mismanagement is discovered, Members of Congress and of the foreign aid administration should be dispatched to investigate and to bring back a report. If someone is responsible, fire him; do not give him some kind of a nice chit-chat. Get somebody new. Apply some high standards and discipline. But when someone does a good job, honor him; give him some honor.

One of the troubles with the foreign aid program is that every person who works for it is under a cloud of suspicion. We have had so much criticism of the foreign aid program that everyone who works for it feels he has to constantly justify his very existence. I do not know that that is necessary. For example, I know Mr. Hamilton is doing a good job. I am not in a position to know whether the job is as good as the Government wants it to be, but he is conscientious. I know he is able. I know he is honest. I know he wants to get the most out of every dollar we spend. I think he deserves a chance. He cannot have a chance if he lives in a political environment in which every time he walks down the street someone pops out from behind a political tree and takes a whack at him. He deserves a chance, and this program deserves support. That is why this Senator has worked for it.

I also know it is not always so popular back home to be for foreign aid, but the

purpose of men in public life is not to engage in popularity contests. The place to do that is in Hollywood. I think what we should engage in is a contest of dedication to the public interest. I happen to believe that the foreign aid program is necessary to our national security. I think it is as vital as our atomic energy program, our nuclear program, and our defense program. I think if we weaken it or chip away at it and discredit it, we will end up doing harm to our own security.

I do not think every dollar the administration asks for should be granted willy-nilly. Let me put that idea at rest at once. I am a member of the Foreign Relations Committee. The Committee conscientiously goes over every request made under this program. We look into it meticulously. I sit on the Appropriations Committee. I know that committee takes a good, hard look.

I read in the press that a Member of the other body seems to have undue influence about the final figure of appropriations for foreign aid. I hope that is fiction, and not fact. I think it is. I do not believe any deals were made. I know it makes a nice story. There was a rumor running about, but I am convinced this program needs to be judged on its merits.

One final word and I want to conclude my remarks by calling to the attention of the Senate the editorial I read from the New York Times, entitled "Financial Veto." It relates to the continued problem of United Nations finances. I am deeply concerned about what is happening in the U.N., with many new nations becoming members. The new figure is 108 member nations.

According to the most recent report, the United Nations, despite the bond issue, finds itself in serious financial difficulties. As of August 31, the United Nations owed \$139.7 million against net cash resources of \$33.3 million. Certain nations have not paid their assessments. Certain nations have not paid their obligations. These nations are found not alone in the Soviet bloc. France, Belgium, South Africa, and the Arab countries are in arrears or have not paid up their obligations.

Mr. Frank Aiken, the Irish Minister for External Affairs, a position equivalent to that of our Secretary of State, calls this a financial veto. As the Soviet Union has used the veto more than 100 times in the Security Council literally to incapacitate the Security Council, to deny the Security Council the authority it is supposed to have under the charter, now certain nations by their refusal to pay their obligations are exercising a financial veto, a new kind of veto, over the U.N. operations.

I am hopeful that in this session of the United Nations—and I have spoken of this before—our country will press in the General Assembly and with the appropriate committees for a resolution of these financial difficulties. We ought to insist upon an outlined program for financing the U.N. I have mentioned this in the Senate on several occasions, during the discussion of the U.N. bond issue, and within the past month.

During the summer I had one of the interns who was assigned to me from one of our universities do some research work in the field of the financing of U.N. operations. I am convinced that the United Nations needs a financial officer. Exactly as we have a Secretary of the Treasury, the United Nations needs a financial secretary. I think our own Government ought to take the lead in seeing to it that there is financial responsibility in the United Nations. Otherwise the U.N. can be paralyzed by financial weakness or can die of economic anemia. There may be the shell of the U.N.—the buildings, the delegates' lounge, the assembly hall, the Security Council Chamber, the trustee chamber, and so on—but there will be no vitality.

The United Nations is important to the world in which we live. It is important to our foreign policy. If the United Nations were to collapse, the whole structure of American foreign policy would have to be revised. The only nation which would not have to revise its foreign policy upon the collapse of the United Nations would be the Soviet Union. When will this story be driven home to the American people? The Soviet Union wants the United Nations to be weak. It does not insist that the U.N. buildings be torn down. It does not insist that the charter be scrapped. It insists only that whatever happens in the U.N. be ineffective. It insists only that the U.N. be powerless. And it is doing everything it can to make the U.N. powerless.

I believe that the Government of the United States, which has predicated its foreign policy since 1945 upon membership of the United Nations, has as much at stake in the United Nations and in its strength, its resiliency, its effectiveness, and its solvency as it has in any other single institution in our national or international life.

I believe that when the storm warnings are up we should do everything we can to prepare for the days ahead. There will be some difficult and dark hours. I am hopeful that despite the crisis in Berlin, the problems with respect to Cuba, and the host of other problems which plague us, we will not forget the United Nations itself, which should be high on the agenda of American priorities.

Think how fortunate it is, Mr. President, that the United Nations headquarters is in our own country now. The Secretary of State, Mr. Rusk, has been there day after day consulting with the foreign ministers and leaders of all the 108 countries. It provides a very convenient forum for our statesmen and our leaders.

Some of the most encouraging developments of recent days are to be found in the conferences which Secretary Rusk has been conducting. I think he has been doing an admirable job. I think his record of performance should warm the heart of every American and give us new confidence. His recent meetings with the foreign ministers of the Latin-American countries was a milestone of progress between our country

and our neighbors to the south, particularly as it relates to the difficult problem concerning Cuba. Also, Secretary Rusk has been pursuing relentlessly but quietly and with statesmanlike conduct our relationships with other countries, trying to find some way to resolve some of the differences which now exist between ourselves and others. In the meantime, he is building friends and allies.

Make no mistake about it, before January 1, 1963, this country will be faced with some tough decisions. The President of the United States and the Congress will be faced with the issue of the survival of this Nation. Basic principles of foreign policy will be challenged in the corridors leading to Berlin, challenged in the Caribbean, and challenged in southeast Asia.

We are in for a hard winter. We shall find, unless we are prepared to meet those challenges—and they will come from many directions—that much of what we have built and much of what we have worked for will start to fall apart.

This is why I believe Secretary Rusk's conferences are so vital. I commend him for his foresight. I commend the President for charging the Secretary with this responsibility and for trying to look to the future to see what can be done and how we can build a stronger body of free nations to stand up against the constant probing and pressuring by the Soviet Union.

I do not think we should for a moment dismiss the rumors or even the direct talk which comes to us about Berlin. It has been said in high places—and it should be spread on the public record—that between now and January, possibly in November or December, basic decisions will be made in respect to Berlin, and we will be challenged there. Our presence will be challenged there. This will be a test of American strength, of NATO, of our resolve, of our policy, of our statesmanship and of our courage.

I commend the American press for constantly reminding us of this without trying to be jingoistic or inflammatory. Some excellent articles are appearing every day about the problem. Over the past weekend a number of them were published.

Mr. Khrushchev is preparing the way for the showdown decision upon Berlin. He is trying to force our hand in Cuba. He continues, through his international Communist apparatus, to nibble at southeast Asia.

This is why, Mr. President, I feel that every bold decision we make—on foreign aid, on military defense items, on our economy, on the United Nations, on the Alliance for Progress—is vital, and everyone has to be weighed very carefully. This is why I sincerely believe we can be penny wise and pound foolish. We can look like we are doing well today, only to build for ourselves troubles tomorrow if we try to skimp, if we try to cut corners, when we ought to be preparing for the most crucial hours of our Republic.

Mr. President, I ask unanimous consent that an editorial entitled "Financial Veto" be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### FINANCIAL VETO

As everyone knows, the permanent members of the United Nations Security Council can block any decision by interposing a veto, and the Soviet representatives have frequently invoked this right.

But another type of veto, undefined in the statutes of the United Nations, is being used effectively by the Soviet bloc, by France, Belgium, South Africa, and the Arab countries. This is what Frank Aiken, Irish Minister for External Affairs, calls the financial veto, the refusal to contribute to funds that the United Nations urgently needs for its peace-keeping operations in the Congo and in the Middle East.

The annual cost of keeping the peace in the Congo and the Middle East is \$140 million. Fifty-one nations have not contributed a penny to the Congo operations. Twelve are in arrears. Twenty-six have not paid anything to the Middle East fund, and 24 are in arrears. This record is deplorable and dangerous.

Despite the \$200 million bond issue, and the decision of Congress authorizing the administration to match bond purchases by other countries up to a maximum of \$100 million, the United Nations is in dire financial straits. As of August 31 the United Nations owed \$139,700,000 against net cash resources of \$33,300,000. The prospects for the next few months are hardly any brighter, as debts are expected to increase almost as rapidly as new funds come in.

With the most recent admissions there are today 108 member nations. The security of all, particularly of the new and small members, is involved in the continuation of the United Nations. Collapse of the world organization due to the "financial veto" is inadmissible; yet it looms as a dire—and real—possibility.

Mr. HUMPHREY. Mr. President, I yield the floor. [Applause.]

The PRESIDING OFFICER. The galleries will be in order.

Mr. MORSE. Mr. President, I should like to have a staff member try to reach the Senator from California [Mr. ENGLE], who I believe is in the cloakroom, and to whom I have agreed to yield. He has a very sad announcement to make. While waiting for the Senator from California, I shall address the Senate on another subject.

#### CHAPLAIN FREDERICK BROWN HARRIS

Mr. MORSE. Mr. President, 2 years ago the Chaplain of the Senate, Chaplain Harris, made an official trip to Hawaii on behalf of the Senate. At the time I not only was familiar with that trip, but also I was one who recommended that the Chaplain should make the trip to Hawaii. For some unexplained reason, that trip has been subjected to very unfair and unjust criticism of the Chaplain, giving the impression than the Chaplain took some junket. Some time ago a story appeared in the Christian Century criticizing the Chaplain's trip.

In a letter to the editor under date of September 26, 1962, the Chaplain replied to that article. I ask unanimous consent that the article and the Chaplain's letter in the Christian Century replying to the unfair and unjust attack upon him for the official Senate trip that he made to

Hawaii some 2 years ago be published at this point in the RECORD.

There being no objection, the article and letter were ordered to be printed in the RECORD, as follows:

Meanwhile, a Chicago Daily News reporter sifting through the Secretary of the Senate's report for fiscal 1961 came up with evidence that the occupants of the other Capitol wing are also concerned for the aid and comfort of religion (perhaps we should have put that last word in quotes). He discovered that in October 1960 the Senate decided to make its Chaplain, Frederick Brown Harris, an "ex officio" member of the Judiciary Committee's Subcommittee on Juvenile Delinquency. It just happened that the Chaplain and his wife were off for a 3-week trip to Hawaii, and that way the travel expenses could be paid out of committee funds. The reporter delved further. Though the subcommittee's staff director said the whole thing was news to him, Mr. Harris explained that on his return he submitted a report on "Problems Growing Out of the Mingling of the Races," and the work of "a fine group of citizens who are exposing attempts at Communist infiltration there." Juvenile Communists, we presume. At any rate, the Chaplain couldn't recall off-hand the name of the group exposing their activity. Oh well, at least the Senate sessions continue to be opened with prayer.

And apparently it is appreciated. Declaring it is "most unfortunate" that each day's issue of the Senate's official Journal does not include "for the benefit of posterity" the Chaplain's prayer delivered on that day, Senator WAYNE MORSE, Democrat, of Oregon, proposed that the "beautiful, moving and inspiring prayer" delivered July 25, by Chaplain Frederick Brown Harris be inserted as an amendment to the day's official record. He made his proposal in a speech holding that the Senate prayer does not violate the first amendment.

#### BUT THE FACT IS

SIR: \* \* \* My attention has been called by several preachers shocked by your editorial (August 22) referring to my mission to Hawaii almost 2 years ago. You have seen fit to give wings to an utterly false conception of my weeks in Honolulu which was by no means a "junket" but an officially authorized mission. Some ambitious reporter—evidently a man with a "muckrake"—who apparently was not looking for facts but for scandal, included me in a series of articles on people in the Government allegedly using taxpayers' money for personal purposes.

After having been fairly well known for many years as a minister of Methodist churches in New York and Washington, and as Chaplain of the U.S. Senate for 18 years, you printed this smear without any attempt to check up with me as to the truth or untruth of what this reporter has spread before the country as he makes his living picking up salacious bits from political gutters. The editorial \* \* \* is in every way unworthy of the once-high journalistic standard of (your) publication. Apart from its giving credence to something entirely false it is written in a "smart aleck" sarcastic style unbecoming of any church publication. \* \* \*

My going to Hawaii was in no way a vacation. It was a mission set up by the Senate. I had been in Hawaii twice, 6 years ago, when President Eisenhower sent me as special ambassador to Korea. With Mrs. Harris I had already seen its beauties and had become somewhat acquainted with its problems. \* \* \* Members of the Cabinet and high military leaders in the Pentagon felt that Syngman Rhee, as a political exile in Hawaii, desperately needed my companionship and counsel. I had been his pastor and close friend for many years and he was plead-

ing with me to come to his side. Then a number of the Senate leaders, including those from Hawaii, felt that I might render a service of good will in speaking to various groups regarding the meanings of Americanism and the menace of communism, as I had attempted to do in various parts of America. My going was to be a sort of salute to the new State.

The idea of the mission grew until my schedule in Hawaii was as strenuous as any I have ever undertaken. For the objectives of the proposed trip I was notified officially that for the period of the visit I had been made a member of the Subcommittee on Juvenile Delinquency. That was done because that designation would cover human relationships of all kinds and also provide for my bare traveling expenses. On arrival in the new State our commanding general, T. D. White, asked for a conference at his headquarters. He cooperated with my mission in every way as did the splendid Senators from Hawaii. Senator OREN LONG gave me the use of his office and his secretary for the purposes of the mission.

In the weeks of my stay I spoke almost every day, sometimes twice a day, to an aggregate of several thousand including our Armed Forces at Schofield Barracks and to students in educational institutions, including 1,500 in 2 addresses in 1 day. I also addressed numbers of Hawaiian citizens at various clubs and groups—Rotary, Kiwanis, etc. I also brought messages to the Army chaplains and their wives regarding their vital work, and to representatives of the council of churches. All this in addition to preaching engagements. The press of Hawaii gave conspicuous space to my doings and statements. I spent many hours with Syngman Rhee and his wonderful wife and for what I endeavored to do in strengthening that truly great man, in that cruel crisis in his life, I received expressions of appreciation from our highest Washington officials.

One of the most influential organizations in Hawaii, of which your editorial spoke disparagingly, is headed by an outstanding physician. This alert group of real Americans keeps a constant vigil with regard to the attempts of communism to infiltrate the islands. With them I spent many hours and learned much. (Your) snide reference to "juvenile Communists" is an indication of how little you know with regard to the Red peril. \* \* \*

During my stay in Hawaii I talked with the Governor at the statehouse. At the request of Honolulu officials I gave a day to be taken, in an official car, for glimpses of their operations in combating juvenile delinquency—and adult delinquency also. Piloted by church leaders, I made a number of visits to churches of various denominations in the city and its environs, which are ministering to different races and engaged in programs to decrease juvenile delinquency. I even attended a church conference where a known Communist had the affrontery to tell the assembled delegates what the church (in which he does not believe) ought to do to serve the present age. \* \* \*

All of Mrs. Harris' expenses were paid by us, including the hotel costs. All I received was traveling expenses for myself. If any mission of such proportions ever cost the Government less, I would like to hear of it. \* \* \*

From your cavalier acquiescence in slandering a servant of the church and the slighting manner in which you treat the ministry of the Senate chaplain in these days \* \* \* it would seem appropriate \* \* \* to change the name "The Christian Century" to "The Un-christian Century."

FREDERICK BROWN HARRIS,  
Chaplain of the U.S. Senate.

Mr. MORSE. Mr. President, those of us in politics are accustomed to smear

attacks and unjustifiable criticisms in the American press. But it is a pretty sad thing when the press does not get its facts about a subject involving the Chaplain of the Senate prior to doing him great harm by the publication of such an untruthful story as he answered in his letter of September 26, 1962, to the Christian Century.

I have known many ministers of the Christian faith, but my association in the years that Chaplain Harris has been the Chaplain of the Senate justifies the evaluation of him that he practices the Christianity that he preaches.

#### REPRESENTATIVE CLEM MILLER OF CALIFORNIA

MR. MORSE. Mr. President, I should like now to yield, without losing my right to the floor, to the Senator from California [Mr. ENGLE], who has a very, very sad report to make to the Senate. When he finishes, I shall make a comment of my own on the subject that he will discuss. Then I shall discuss another subject briefly. I yield to the Senator from California without losing my right to the floor.

MR. ENGLE. Mr. President, I very much appreciate the courtesy of my friend the senior Senator from Oregon yielding to me for the purpose of making a very sad announcement to the Senate.

Our colleague in the House, CLEM MILLER, was killed in an airplane accident which occurred yesterday at about 4:30 or 5 o'clock in the afternoon. The wreckage of the plane was found today some 15 miles east of Crescent City, where it had gone into a mountainside.

There were no survivors of the accident. The pilot, his son, and Representative MILLER were all killed.

CLEM MILLER, 46 years of age, was elected to the House of Representatives in 1958, reelected in 1960, and at this time was seeking his third term. He represented the district in California that runs from the Oregon line along the coast of California to just north of San Francisco. It is a great, beautiful, and wealthy district, primarily in lumber, livestock, agriculture, and recreation.

CLEM MILLER was a vigorous and intelligent spokesman for the people he represented. He took an intense interest in the affairs of his district. He was one of the most ardent conservationists in the House of Representatives. He was chiefly concerned, as the Senator from Oregon [Mr. MORSE] has been, about the problems of the lumber industry. He took an intense interest in the livestock, farming, and small business interests of his area. Only recently he was at the White House attending a ceremony at which the President of the United States signed the bill creating the Point Reyes National Seashore Park, of which CLEM MILLER was the author in the House of Representatives.

CLEM MILLER was born in Wilmington, Del. He served in the Army from 1940 to 1945. He is a graduate of Cornell. His presence in California was a loss to the area from which he had come and the great gains of our State. His death





Public Law 87-872  
87th Congress, H. R. 13175  
October 23, 1962



An Act

76 STAT. 1163.

Making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1963, namely:

Foreign Aid and  
Related Agencies  
Appropriation  
Act, 1963.

**TITLE I—FOREIGN AID (MUTUAL SECURITY)**

**FUNDS APPROPRIATED TO THE PRESIDENT**

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, as amended, to remain available until June 30, 1963, unless otherwise specified herein, as follows:

75 Stat. 424.  
22 USC 2151  
note.

**ECONOMIC ASSISTANCE**

Development grants: For expenses authorized by section 212, \$225,000,000.

Ante, p. 256.  
22 USC 2272.

American hospitals abroad (special foreign currency program): For assistance authorized by section 214(b) for hospital construction, \$2,800,000, to be used to purchase foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

22 USC 2174.

Investment guaranties: For expenses authorized by section 222(f), \$30,000,000, to remain available until expended.

Ante, p. 257.  
22 USC 2182.

International organizations and programs: For expenses authorized by section 302, \$148,900,000: *Provided*, That no part of any other appropriation contained in this Act, except funds appropriated under this Act for the contingency fund (not to exceed \$10,000,000), may be used to augment funds or programs contained in this paragraph and no funds shall be transferred from funds appropriated under any other paragraph of title I of this Act to the contingency fund for the purpose of augmenting funds or programs contained in this paragraph.

Ante, p. 259.  
22 USC 2222.

Supporting assistance: For expenses authorized by section 402, \$395,000,000.

Ante, p. 259.  
22 USC 2242.

Contingency fund: For expenses authorized by section 451(a), \$250,000,000.

Ante, p. 259.  
22 USC 2261.

Alliance for Progress, development loans: For assistance authorized by section 252, \$425,000,000, to remain available until expended.

Ante, p. 258.

Alliance for Progress, development grants: For expenses authorized by section 252, \$100,000,000.

22 USC 2162.

Development loans: For expenses authorized by section 202(a), \$975,000,000, to remain available until expended.

Ante, p. 262.  
22 USC 2397.

Administrative expenses: For expenses authorized by section 637(a), \$49,500,000.

Administrative and other expenses: For expenses authorized by section 637(b) of the Foreign Assistance Act of 1961, as amended, and by section 305 of the Mutual Defense Assistance Control Act of 1951, as amended, \$2,700,000.

75 Stat. 463.  
22 USC 1613d.

**MILITARY ASSISTANCE**

22 USC 2312.  
22 USC 2396.

**Military assistance:** For expenses authorized by section 504(a) of the Foreign Assistance Act of 1961, as amended, including administrative expenses authorized by section 636(g)(1) of such Act, which shall not exceed \$24,500,000 for the current fiscal year, and purchase of passenger motor vehicles for replacement only for use outside the United States, \$1,325,000,000: *Provided*, That none of the funds contained in this paragraph shall be available for the purchase of new automotive vehicles outside of the United States.

22 USC 2251  
note.

Unobligated balances as of June 30, 1962, of funds heretofore made available under the authority of the Foreign Assistance Act of 1961, as amended, are, except as otherwise provided by law, hereby continued available for the fiscal year 1963 for the same general purposes for which appropriated and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance", are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided*, That such purpose relates to a project previously justified to Congress and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects and no objection is entered by either Committee within 60 days of such notification.

68 Stat. 830.

31 USC 200.  
22 USC 1750-  
1951 and notes.

Notification of  
congressional  
committees.

Flood control  
and reclamation  
programs, etc.

**SEC. 101.** None of the funds herein appropriated (other than funds appropriated under the authorization for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per memorandum of the President dated May 15, 1962.

**SEC. 102.** Obligations made from funds herein appropriated for engineering and architectural fees and services to any individual or group of engineering and architectural firms on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

**SEC. 103.** Except for the appropriations entitled "Contingency fund" and "Development loans", not more than 20 per centum of any appropriation item made available by this title shall be obligated and/or reserved during the last month of availability.

**SEC. 104.** None of the funds herein appropriated nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

**SEC. 105.** The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China, and it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to repre-

Engineering and  
architectural  
fees.  
Reports to  
Congress.

Restrictions.

Seating of Com-  
munist China in  
U.N.  
Opposition.

sent China in the United Nations. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

SEC. 106. It is the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this title these principles shall be applied as the President may determine.

Distinctions  
because of  
race or reli-  
gion.

SEC. 107. (a) No assistance shall be furnished to any country which sells, furnishes, or permits any ships under its registry to carry to Cuba, so long as it is governed by the Castro regime, under the Foreign Assistance Act of 1961, as amended, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

Cuba.  
Restrictions  
on assistance  
to certain  
countries.  
22 USC 2151  
note.

(b) No economic assistance shall be furnished to any country which sells, furnishes, or permits any ships under its registry to carry items of economic assistance to Cuba so long as it is governed by the Castro regime, under the Foreign Assistance Act of 1961, as amended, unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

65 Stat. 645.  
22 USC 1611  
note.  
Presidential  
determinations.  
Reports to  
Congress.

SEC. 108. Any obligation made from funds provided in this title for procurement outside the United States of any commodity in bulk and in excess of \$100,000 shall be reported to the Committees on Appropriations of the Senate and the House of Representatives at least twice annually: *Provided*, That each such report shall state the reasons for which the President determined, pursuant to criteria set forth in section 604(a) of the Foreign Assistance Act of 1961, as amended, that foreign procurement will not adversely affect the economy of the United States.

Publication in  
F. R.  
Procurement  
outside U. S.  
Reports to  
Congress.

SEC. 109. (a) No assistance shall be furnished to any nation, whose government is based upon that theory of government known as Communism under the Foreign Assistance Act of 1961, as amended, for any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

Communist  
nations.  
Restriction on  
military as-  
sistance.

(b) No economic assistance shall be furnished to any nation whose government is based upon that theory of government known as Com-

22 USC 1611  
note.  
Restriction on  
economic as-  
sistance.

Exceptions.  
22 USC 2174.

Reports to  
Congress.

Publication in  
F. R.

Procurement  
contracts.  
Termination  
clause.

U. S. citizens.  
Security clear-  
ances.

Approval of  
contracts.

22 USC 2201.

U N dues.

Foreign cur-  
rencies.

22 USC 2501.

munism under the Foreign Assistance Act of 1961, as amended (except section 214(b)), unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

SEC. 110. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for making payments on any contract for procurement to which the United States is a party entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.

SEC. 111. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any contract for the performance of services outside the United States by United States citizens where such citizens have not been investigated for loyalty and security in the same manner and to the same extent as would apply if they were regularly employed by the United States.

SEC. 112. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any capital project financed by loans or grants from the United States where the United States has not directly approved the terms of the contracts and the firms to provide engineering, procurement, and construction services on such project.

SEC. 113. Of the funds appropriated or made available pursuant to this Act not more than \$6,000,000 may be used during the fiscal year ending June 30, 1963, in carrying out section 241 of the Foreign Assistance Act of 1961, as amended.

SEC. 114. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to pay in whole or in part any assessments, arrearages or dues of any member of the United Nations.

SEC. 115. Foreign currencies not to exceed \$200,000, made available for loans pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred incident to such loans.

## TITLE II—FOREIGN AID (OTHER)

### FUNDS APPROPRIATED TO THE PRESIDENT

#### PEACE CORPS

For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act (75 Stat. 612), including purchase of not to exceed ten passenger motor vehicles for use outside the United States, \$59,000,000, of which not to exceed \$15,500,000 shall be available for administration and program support costs.

## DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

## RYUKYU ISLANDS, ARMY

## ADMINISTRATION

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government of the Ryukyu Islands, as authorized by the Act of July 12, 1960 (74 Stat. 461); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of individuals not to exceed ten in number; not to exceed \$3,500 for contingencies for the High Commissioner, to be expended in his discretion; hire of passenger motor vehicles and aircraft; purchase of four passenger motor vehicles for replacement only; and construction, repair, and maintenance of buildings, utilities, facilities, and appurtenances; \$8,900,000, of which not to exceed \$1,950,000 shall be available for administrative and information expenses: *Provided*, That expenditures from this appropriation may be made outside continental United States when necessary to carry out its purposes, without regard to sections 355 and 3648, Revised Statutes, as amended, section 4774(d) of title 10, United States Code, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred.

60 Stat. 810.

40 USC 255.  
31 USC 529.  
70A Stat. 269.

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

## ASSISTANCE TO REFUGEES IN THE UNITED STATES

For expenses necessary to carry out the provisions of the Migration and Refugee Assistance Act of 1962 (Public Law 87-510), relating to aid to refugees within the United States, including hire of passenger motor vehicles, and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$70,110,000: *Provided*, That this appropriation shall reimburse other current applicable appropriations for activities conducted after June 30, 1962, pursuant to section 7 of the Migration and Refugee Assistance Act of 1962.

Ante, p. 121.

60 Stat. 810.

## DEPARTMENT OF STATE

## MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide assistance to refugees, as authorized by law, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries, expenses, and allowances of personnel and depend-

76 STAT. 1168.

60 Stat. 999.

Ante, p. 121.

ents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158); hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); \$14,947,000: *Provided*, That this appropriation shall reimburse other applicable appropriations for activities conducted after June 30, 1962, pursuant to section 7 of the Migration and Refugee Assistance Act of 1962: *Provided further*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

#### FUNDS APPROPRIATED TO THE PRESIDENT

##### INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

For payment of subscriptions to the Inter-American Development Bank, to remain available until expended, \$60,000,000 for the third installment on paid-in capital stock.

##### SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment of the third installment of the subscription of the United States to the International Development Association, \$61,656,000, to remain available until expended.

#### TITLE III—INTERNATIONAL MONETARY FUND

##### FUNDS APPROPRIATED TO THE PRESIDENT

##### LOANS TO THE INTERNATIONAL MONETARY FUND

For loans to the International Monetary Fund, as authorized by the Act of June 19, 1962 (Public Law 87-490), \$2,000,000,000, to remain available until expended. The indefinite appropriation for the payment of interest on the public debt (31 U.S.C. 711), shall be available for the payment of charges in connection with any purchases of currencies or gold by the United States from the International Monetary Fund.

#### TITLE IV—EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank of Washington is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided:

61 Stat. 584.  
31 USC 849.76 STAT. 1168.  
76 STAT. 1169.

##### LIMITATION ON OPERATING EXPENSES

Not to exceed \$1,295,000,000 (of which not to exceed \$750,000,000 shall be for development loans) shall be authorized during the current fiscal year for other than administrative expenses.

**LIMITATION ON ADMINISTRATIVE EXPENSES**

Not to exceed \$3,000,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) at rates not to exceed \$75 per diem for individuals, and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance shall be considered as nonadministrative expenses for the purposes hereof,

60 Stat. 810.

**TITLE V—MISCELLANEOUS AGENCIES****FOREIGN CLAIMS SETTLEMENT COMMISSION****PAYMENT OF PHILIPPINE WAR DAMAGE CLAIMS**

For the payment of the unpaid balance of awards for war damage compensation heretofore made by the Philippine War Damage Commission, as authorized by law, \$73,000,000, to remain available until expended, of which \$500,000 shall be available for "Salaries and expenses", including an additional amount of not to exceed \$25,000 for expenses of travel.

**UNITED STATES INFORMATION AGENCY****ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES**

For an additional amount for "Acquisition and construction of radio facilities", \$1,600,000, to remain available until expended.

**DEPARTMENT OF STATE**

76 STAT. 1169.

76 STAT. 1170.

**INTERNATIONAL ORGANIZATIONS AND CONFERENCES****International Conferences and Contingencies**

For an additional amount for "International conferences and contingencies", \$849,000.

**TITLE VI—GENERAL PROVISIONS**

**SEC. 601.** No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

**SEC. 602.** None of the funds herein appropriated shall be used for expenses of the Inspector General, Foreign Assistance, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering foreign

Publicity or  
propaganda.Inspector Gen-  
eral, Foreign  
Assistance.

assistance legislation, appropriations, or expenditures, has delivered to the office of the Inspector General, Foreign Assistance, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody or control of the Inspector General, Foreign Assistance relating to any review, inspection, or audit arranged for, directed, or conducted by him, unless and until there has been furnished to the General Accounting Office or to such committee or subcommittee, as the case may be, (A) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested or (B) a certification by the President, personally, that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing.

**Short title.**

SEC. 603. This Act may be cited as the "Foreign Aid and Related Agencies Appropriation Act, 1963."

**Approved October 23, 1962.**





IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 1962

Referred to the Committee on Appropriations and ordered to be printed

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**AMENDMENTS**

Intended to be proposed by Mr. PROXMIRE to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, viz:

- 1      On page 6, line 10, strike out “of which sells” and insert  
2      in lieu thereof “or any national of which sells, barters, or  
3      grants”.
  
- 4      On page 6, line 10, strike out the word “or” immediately  
5      preceding “implements”.
  
- 6      On page 6, line 11, after the word “war” insert a comma  
7      and the following: “or other goods, wares, and merchan-  
8      dise”.

## AMENDMENTS

Intended to be proposed by Mr. Proxmire to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

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SEPTEMBER 21, 1962

Referred to the Committee on Appropriations and ordered to be printed

Calendar No. 2140

87TH CONGRESS  
2D SESSION

H. R. 13175

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IN THE SENATE OF THE UNITED STATES

OCTOBER 1, 1962

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. MORSE to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, viz: at the end of the bill add the following new section:

- 1        That section 521 of title 38 of the United States Code is
- 2        amended by redesignating subsections (b) through (f) as
- 3        subsections (c) through (g), respectively, and by inserting
- 4        after subsection (a) the following new subsection:
- 5                "(b) (1) In the case of a veteran of World War I,
- 6        pension shall be paid at the following monthly rate:
- 7                "(A) \$75; or
- 8                "(B) \$90 if (i) the veteran is sixty-five years of
- 9        age or older, or (ii) the veteran has been rated as per-

1 manently and totally disabled for an aggregate period of  
2 ten years; or

3 " (C) \$150 if the veteran is in need of regular aid  
4 and attendance.

5 " (2) If the veteran served outside the continental limits  
6 of the United States for a period of thirty days or more dur-  
7 ing the creditable period of service the monthly rate payable  
8 to him under paragraph (1) shall be increased by 10 per  
9 centum.

10 " (3) For purposes of this section, a veteran of World  
11 War I shall be deemed to be permanently and totally dis-  
12 abled upon reaching the age of sixty-five years.

13 " (4) No pension shall be paid under paragraph (1) to  
14 any unmarried veteran whose annual income exceeds \$1,800,  
15 or to any married veteran or any veteran with children whose  
16 annual income exceeds \$3,000."

17 SEC. 2. (a) Subsections (c), (d), and (e) of such  
18 section (as redesignated by the first section of this Act)  
19 are amended by striking out "If" in each subsection and in-  
20 serting in lieu thereof "In the case of a veteran of World War  
21 II or the Korean conflict, if".

22 (b) Subsection (e) of such section (as redesignated by  
23 the first section of this Act) is amended by striking out "(b)"  
24 or "(c)" and inserting in lieu thereof "(c) or (d)".

1        SEC. 3. The amendments made by this Act shall take  
2 effect on the first day of the first month which begins after  
3 the date of the enactment of this Act.

87TH CONGRESS  
2D SESSION

# H. R. 13175

## AMENDMENT

Intended to be proposed by Mr. Morse to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

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OCTOBER 1, 1962

Ordered to lie on the table and to be printed

IN THE SENATE OF THE UNITED STATES

OCTOBER 1, 1962

Ordered to be printed

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**AMENDMENT**

Proposed by Mr. DODD to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, viz:

- 1      On page 16, line 7, strike out “\$16,677,000” and insert
- 2      in lieu thereof “\$18,677,000”.

10-1-62—K

## AMENDMENT

Proposed by Mr. Dorn to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

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OCTOBER 1, 1962

Ordered to be printed

87<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

Calendar No. 2140

H. R. 13175

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IN THE SENATE OF THE UNITED STATES

OCTOBER 1, 1962

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. McCARTHY to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, viz: At the end of the bill to add a new section, as follows:

1        SEC. . That section 6 of the Temporary Extended

2        Unemployment Compensation Act of 1961 (75 Stat. 8) is

3        amended to read as follows:

4                    "COVERED PERIOD

5        "SEC. 6. In the case of any individual, the covered pe-  
6        riod referred to in sections 3 and 4 is the period—

7                    "(1) beginning on whichever of the following is  
8        the later:

9                    "(A) April 8, 1961, or

1               “(B) the day after the date on which any  
2               applicable agreement is entered into under section  
3               7 or 8, and

4               “(2) ending—

5               “(A) on February 28, 1963, or

6               “(B) on May 31, 1963, in the case of an in-  
7               dividual who (for a week beginning before March 1,  
8               1963) had a week with respect to which temporary  
9               extended unemployment compensation was payable  
10              under section 3, reimbursement was payable under  
11              section 4, or reimbursement would have been so  
12              payable but for the fact that the unemployment com-  
13              pensation was payable under title XV, with the  
14              exception of the period—

15              “(3) beginning—

16              “(A) on April 1, 1962, or

17              “(B) on July 1, 1962, in the case of an in-  
18              dividual who (for a week beginning before April 1,  
19              1962) had a week with respect to which temporary  
20              extended unemployment compensation was payable  
21              under section 3, reimbursement was payable under  
22              section 4, or reimbursement would have been so  
23              payable but for the fact that the unemployment  
24              compensation was payable under title XV, and

25              “(4) ending on November 3, 1962.”



87<sup>TH</sup> CONGRESS  
2d SESSION

**H. R. 13175**

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## **AMENDMENT**

Intended to be proposed by Mr. McCarthy to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

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OCTOBER 1, 1962

Ordered to lie on the table and to be printed

**Calendar No. 2140**

**87<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**

**H. R. 13175**

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**IN THE SENATE OF THE UNITED STATES**

OCTOBER 1, 1962

Ordered to lie on the table and to be printed

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## **AMENDMENTS**

Intended to be proposed by Mr. McCARTHY to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, viz:

- 1        On page 2, line 5, strike out “\$275,000,000” and insert
- 2        in lieu thereof “including \$20,000,000 for malaria eradication program, \$295,000,000”.
  
- 4        On page 3, line 8, strike out “\$290,000,000” and insert
- 5        in lieu thereof “\$270,000,000”.

87TH CONGRESS      H. R. 13175  
2d Session

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## AMENDMENTS

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Intended to be proposed by Mr. McCARTHY to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

OCTOBER 1, 1962

Ordered to lie on the table and to be printed

87<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 13175**

**Calendar No. 2140**

**IN THE SENATE OF THE UNITED STATES**

OCTOBER 1, 1962

Ordered to lie on the table and to be printed

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**AMENDMENTS**

Intended to be proposed by Mr. JOHNSTON to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, viz:

- 1        On page 17, between lines 2 and 3, insert the following
- 2        new section:
  - 3        "SEC. 603. No part of the funds made available by this
  - 4        Act shall be obligated during any period unless there is in
  - 5        effect with respect to such period a determination made and
  - 6        published by the President that—
    - 7            "(a) estimated revenues of the Federal Government
    - 8            during the fiscal year ending June 30, 1963, will equal

1        or exceed estimated expenditures of the Federal Govern-  
2        ment for such fiscal year; and

3                “(b) estimated expenditures of funds made avail-  
4        able by this Act will not cause estimated expenditures  
5        of the Federal Government for the fiscal year ending  
6        June 30, 1963, to exceed estimated revenues of the  
7        Federal Government for such fiscal year.”

8        On page 17, line 3, strike out “SEC. 603” and insert  
9        “SEC. 604”.



87TH CONGRESS      H. R. 13175  
2d Session

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## AMENDMENTS

Intended to be proposed by Mr. JOHNSTON to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

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OCTOBER 1, 1962

Ordered to lie on the table and to be printed

Calendar No. 2140

87<sup>TH</sup> CONGRESS  
2D SESSION

H. R. 13175

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IN THE SENATE OF THE UNITED STATES

OCTOBER 1, 1962

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. JOHNSTON to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, viz: On page 9, beginning with line 23, strike out over through line 6 on page 11 and insert in lieu thereof the following:

- 1        SEC. 109. No funds appropriated by title I of this Act,
- 2        except funds appropriated under that section entitled
- 3        "American hospitals abroad (special foreign currency pro-
- 4        gram)" shall be expended in, or for the benefit of, any
- 5        nation whose government is based upon that theory of
- 6        government known as communism.

87<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION  
**H. R. 13175**

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**AMENDMENT**

Intended to be proposed by Mr. Johnston to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

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October 1, 1962

Ordered to lie on the table and to be printed

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**Calendar No. 2140**

**87TH CONGRESS  
2D SESSION**

**H. R. 13175**

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**IN THE SENATE OF THE UNITED STATES**

**OCTOBER 1, 1962**

Ordered to lie on the table and to be printed

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**AMENDMENT**

Intended to be proposed by Mr. JOHNSTON to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, viz: On page 7, beginning with line 24, strike out over through line 6 on page 9 and insert in lieu thereof the following:

- 1        SEC. 107. (a) None of the funds provided in this title
- 2        shall be available for assistance to any country, the govern-
- 3        ment of which sells arms, ammunition, or implements of war
- 4        to the Castro regime, or permits ships under its registry to
- 5        deliver arms, ammunition, implements of war, or other goods,
- 6        wares, and merchandise to that regime, or which furnishes,
- 7        by grant or loan any military or economic aid to that regime,
- 8        or for any expenses of transportation, directly or indirectly,
- 9        by merchant marine ships of any nation whose ships are

1 used to transport any military or economic supplies to that  
2 regime.

3 (b) None of the funds appropriated in this title shall be  
4 available for assistance to any country which permits vessels  
5 registered, enrolled, licensed, or otherwise documented under  
6 its laws to transport to Cuba, so long as it is governed by  
7 the Castro regime, any arms, ammunition, implements of  
8 war, atomic energy materials, or any articles, materials, or  
9 supplies contained on the list (known as the "positive list")  
10 maintained by the Secretary of Commerce of commodities  
11 with respect to which an export license is required under the  
12 Export Control Act of 1949.



87TH CONGRESS  
2d Session

# H. R. 13175

## AMENDMENT

Intended to be proposed by Mr. JOHNSTON to the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

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OCTOBER 1, 1962

Ordered to lie on the table and to be printed

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